UNIVERSITY OF SAN FRANCISCO
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Nonprofit Ethics Case

The Church at Pierce Creek and the Johnson Amendment:
How the First Amendment Intersects with the Tax Code and Present Applications

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NPA 601: NONPROFIT ETHICAL LEADERSHIP
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Prof. Marco Tavanti, Ph.D

Video: *Do Politics Belong in the Pulpit?*

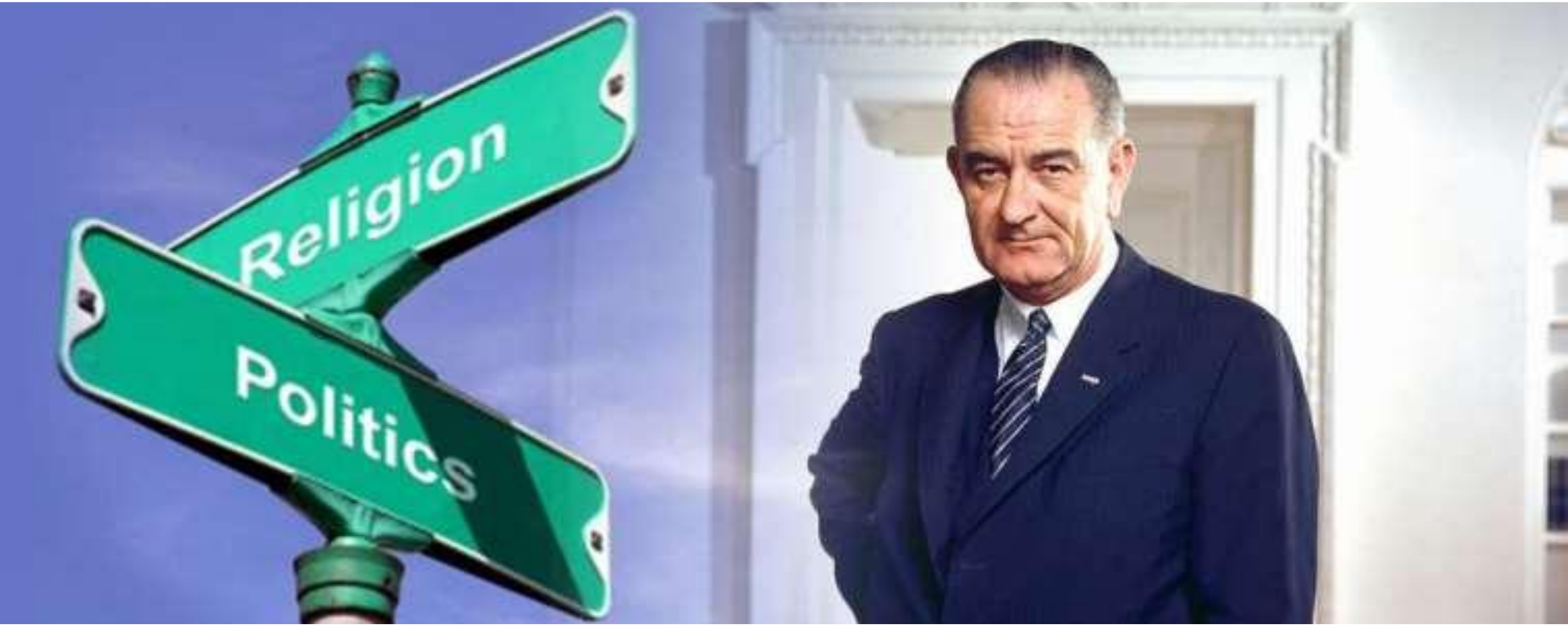
http://www.sandiegouniontribune.com/news/religion/sd-me-religion-politics-20170224-story.html

Summary

The case of *Branch Ministries, Inc. (BMI) v. Charles O. Rossotti* involves the revocation of tax-exemption of BMI's religious organization, the Church at Pierce Creek–*a nonprofit 501(c)(3)*. On 30 October 1992, BMI purchased a full-page advertisement in USA Today and the Washington Times, advocating 'Christians' not to vote for, then presidential candidate, Bill Clinton. Following an investigation, the IRS revoked BMI's tax exempt status on January 19, 1995. BMI filed suit against the IRS a few months later, arguing that the revocation suppressed BMI's rights to free speech and religious observation, guaranteed under the first amendment. In 2000, the U.S. Court of Appeals for the District of Columbia sustained the IRS's action, acknowledging that no infringement of first amendment rights occurred with BMI's revocation.

The case of BMI has resurfaced in national politics, with the Trump administration's efforts to repeal the "Johnson Amendment," a move that would permit religious - and other nonprofit - organizations the ability to participate in traditionally prohibited political campaigns.

1954 - The Johnson Amendment



“All section 501(c)(3) organizations are absolutely prohibited from directly or indirectly participating in, or intervening in, any political campaign on behalf of (or in opposition to) any candidate for elective public office.” (IRS).

CHRISTIAN BEWARE

Do not put the economy ahead of the Ten Commandments.
Did you know that Governor Bill Clinton. . .

Supports abortion on demand? (Violates Exo. 20:13, Lev. 20:1-5)

Supports the homosexual lifestyle, and wants homosexuals to have special rights? (Violates Exo. 20:14, Lev. 20:13. See also Rom. 1:26, 27)

Promotes giving condoms to teenagers in public schools? (Violates Exo. 20:12, Col. 3:5. See also Rom. 1:28-32)

Bill Clinton is promoting policies that are in rebellion to God's Laws. In our desire for change, do we really want as a president and a role model for our children a man of this character who supports this type of behavior?

. . . .

How then can we vote for Bill Clinton?

This advertisement was co-sponsored by The Church at Pierce Creek, Daniel J. Little, Senior Pastor, and by churches and concerned Christians nationwide. Tax-deductible donations for this advertisement gladly accepted. . . .

USA TODAY™

The Washington Times

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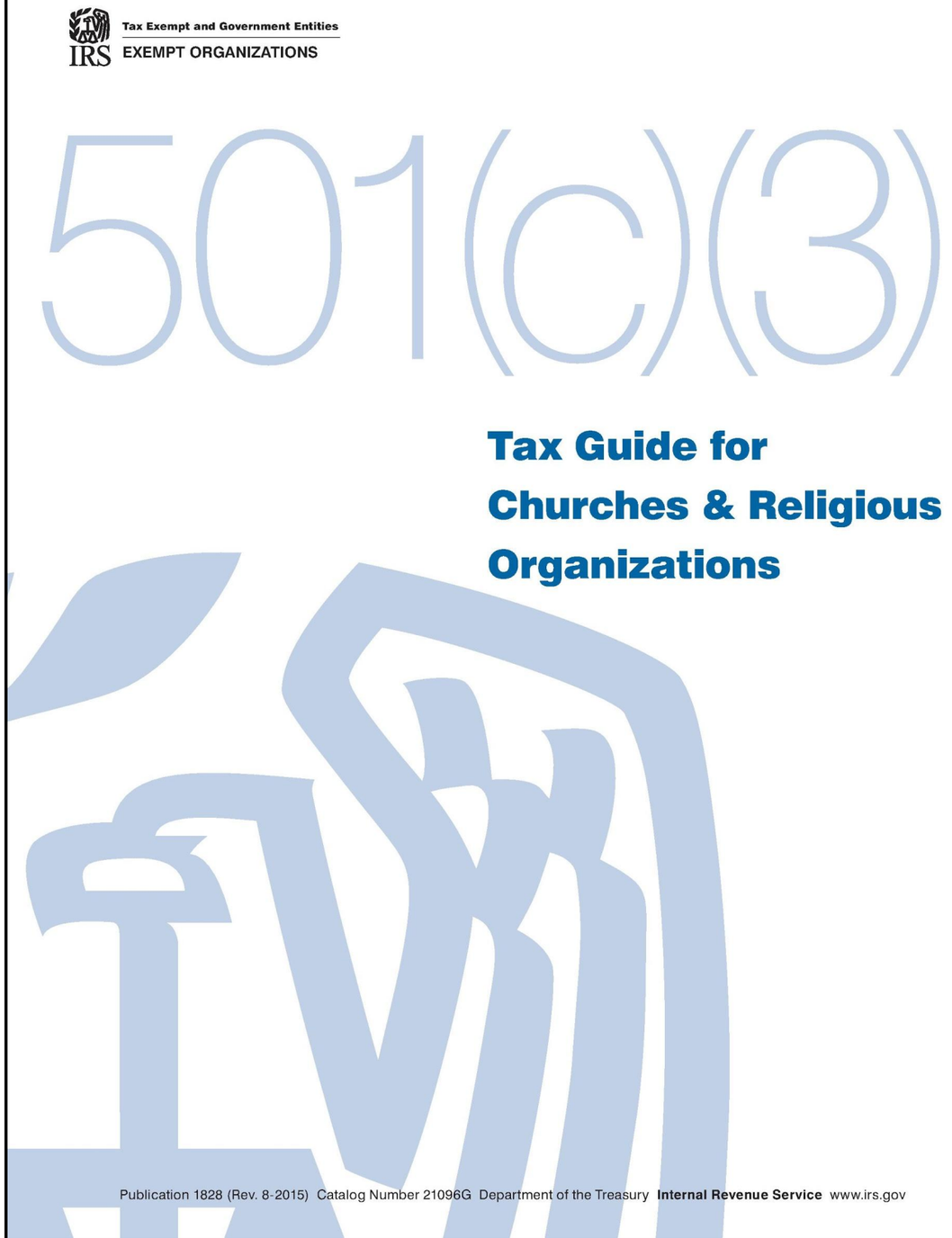
USA TODAY™

$90,000 in 1992 = $157,569.83 in 2017.


FAMILY RESEARCH COUNCIL
SINCE 1983
FRCAction
afa Action

Compliance

- Political Prohibition under sections 501(c)(3) and 508(c) for campaign candidates.
- Johnson Amendment has been active for 63 years.
- Pay assessed excise tax on the political activities, reorganize as 501(c)(4), or STOP the political activities.



Individual Responsibility

- Individual > Community
- Church > State
- Righteousness > Right

“the people in the pulpits are more Democratic and Republican than those in the pews.”

Organizational Responsibility

- *IRS Publication 1828: Tax Guide for Churches and Religious Organizations*
- *FTB Publication 932: Exempt Organizations Filing and Compliance General Information*
- Internal Revenue Code §508(c) and/or §501(c)(3); California Revenue and Taxation Code §23701(d).
- Ethics Statement / Code of Ethics
- **Follow the law and listen to your parishioners.**

Celgene

Code of Business Conduct & Ethics

Systemic Responsibility

- “Super dark money” influencing politics
- Erosion of nonprofit organization mission focus
- Erosion of religious freedoms

Stakeholders Analysis

- Nonprofit Organizations: creates an uneven system for most nonprofit entities and their political involvement.

- Political Candidates: provides a new venue for (“super”) dark money in election systems, creating a greater “highest bidder” constituency.

- Individuals: allows religious organizations to surpass individual rights in political spending and free speech, with you subsidizing someone’s politics.

- Election Systems: turns religious organizations into political machines, further weakening democratic values and accountability in direct democracies.

Alternative Solutions

- Continued compliance to existing 501(c)(3) mandates.
  - Policy advocacy
  - Nonpartisan education
  - Keep it personal

- Reorganization as a 501(c)(4).

Systemic:
How might the reach and effectiveness of the secular nonprofit sector change if all 501(c)(3) organizations were granted partisan politicking?

Institutional:
What are the spiritual, social, and personal ramifications for congregations of religious organizations if the Johnson Amendment were repealed? How might it affect the relationship between leaders and followers of these organizations?

Personal:
How does a representative of a church balance organizational ethics and individual morals?

References

- Internal Revenue Service Publication 1828: *Tax Guide for Churches & Religious Organizations*
  https://www.irs.gov/pub/irs-pdf/p1828.pdf

- Americans United for Separation of Church and State
  https://www.au.org
- Alliance Defending Freedom
  http://adflegal.org

- Video: Keith Hughes - The Johnson Amendment Explained
  https://www.youtube.com/watch?v=otOYnmGHT_s

- Religion and Ethics Newsweekly
  http://www.pbs.org/wnet/religionandethics/about-the-series/

Closing Thought...

Render to Caesar
the things that are
Caesar's,

and to God
the things that
are God's.

Matthew 22:21