

DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE

TAX EXEMPT AND GOVERNMENT  
ENTITIES DIVISION

CERTIFIED MAIL

Date: FEB 20 2008

United Church of Christ  
700 Prospect Ave E  
Cleveland, OH 44115

Dear Sir or Madam:

The Internal Revenue Service (the "Service") is responsible for administering the Internal Revenue laws of the United States, including those that apply to organizations exempt from federal income tax. To carry out that responsibility, section 7602 of the Internal Revenue Code ("IRC") authorizes the Service to determine the correctness of any tax return, to make a return when none has been filed, and to determine the tax liability of any person or organization. However, IRC section 7611 imposes restrictions on the Service in conducting tax inquiries and examinations of churches and conventions or associations of churches.

In passing IRC section 7611, Congress intended to ensure that the Service carry out its obligation to resolve questions concerning the tax liability, if any, and the tax-exempt status of churches and organizations claiming to be churches, with due regard for both the rights of church organizations and the responsibility of the Service to enforce the Internal Revenue laws.

Because a reasonable belief exists that the United Church of Christ ("church") has engaged in political activities that could jeopardize its tax-exempt status as a church described in section 501(c)(3) and exempt under section 501(a), this letter is notice of the beginning of a church tax inquiry described in IRC section 7611(a). We are sending it because we believe it is necessary to resolve questions concerning your tax-exempt status as a church described in section 501(c)(3) and in section 170(b)(1)(A)(i) of the Code.

Our concerns are based on articles posted on several websites including the church's which state that United States Presidential Candidate Senator Barack Obama addressed nearly 10,000 church members gathered at the United Church of Christ's biennial General Synod at the Hartford Civic Center, on June 23, 2007. In addition, 40 Obama volunteers staffed campaign tables outside the center to promote his campaign.

All section 501(c)(3) organizations, including churches, their integrated auxiliaries, conventions or associations of churches, are prohibited from participating in, or intervening in (including the publication or distribution of statements), any political campaign on behalf of (or in opposition to) any candidate for public office. This is an absolute prohibition, violation of which results in denial or revocation of exempt status and/or the imposition of certain excise taxes, if applicable.

The prohibition against political campaign activity does not prevent candidates from being invited to speak at an event of an organization described in section 501(c)(3). If a candidate is invited to speak in his or her capacity as a candidate, then other candidates running for the same office must also be invited to speak and there should be no indication of support for, or opposition to, any candidate by the organization. Also, the prohibition does not prevent an organization's officials from being involved in a political campaign, so long as those officials do not in any way utilize the organization's *financial*

*resources, facilities, or personnel and clearly indicate that the actions taken or the statements made are those of the individuals and not of the organization.*

A list of specific questions about your operations/activities is attached. Please answer each question completely. If your response resolves our concerns about your exempt status and tax liability, it will not be necessary to pursue this matter further.

Attached as required by section 7611(a)(3)(B)(ii), is a statement of your administrative and constitutional rights during a tax inquiry and examination. Your rights include the right to a conference with Service representatives to discuss our concerns before the Service begins an examination. The Service will formally offer you the opportunity for a conference in a Notice of Church Examination Letter, if such a notice of examination is sent to you.

Please reply within 15 days of the date of this letter to:

Internal Revenue Service TEGE Division  
Attn: Kenneth Roton  
1601 Market Street, 19<sup>th</sup> Floor  
Philadelphia, PA 19103

If we do not hear from you within that time, we may issue a Notice of Church Examination Letter, which section 7611 requires to be issued before we initiate an examination of your records or religious activities.

If you have any questions, please contact the person whose name and telephone number are shown above.

Thank you for your cooperation.

Sincerely  
yours,

Marsha  
Ramirez  
Director,  
EO  
Examinati  
ons

**Enclosures:**  
Questions  
Statement of Administrative and Constitutional Rights