



COMMISSIONER
TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

Date: MAY 13 2008

United Church of Christ
c/o Reverend John Thomas, General
Minister and President
700 Prospect Ave
Cleveland, OH 44115

Dear Sir or Madam:

Thank you for providing information in response to our recent church tax inquiry. The inquiry was initiated in accordance with the procedures required under IRC § 7611 because information was received that alleged that United Church of Christ may have jeopardized its tax-exempt status as an organization described in section 501(c)(3) of the Internal Revenue Code by intervening in a political campaign. Our concerns were based on articles posted on several websites, including that of the church, stating that Senator Barack Obama, a candidate for the Democratic Party nomination for President of the United States, 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, the articles indicated 40 Obama volunteers staffed campaign tables outside the center to promote his campaign.

All section 501(c)(3) organizations 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 means, for example, that they cannot (1) endorse any candidate, (2) make donations to a candidate's campaign, (3) engage in fund-raising for a candidate, (4) distribute statements for or against a particular candidate, or (5) become involved in any other activity that may otherwise favor or oppose a candidate for public office. Even activities that encourage people to vote for or against a particular candidate on the basis of nonpartisan criteria violate the political campaign prohibition of section 501(c)(3). This is an absolute prohibition, violation of which can result in revocation of exempt status and the imposition of certain excise taxes.

In response to the inquiry you indicated that the invitation to Senator Obama was issued in May of 2006, well before he announced his candidacy, and that

Senator Obama was invited to speak at the 2007 General Synod, in a non-candidate capacity, on how his personal faith intersected with his public life. You further established that the United Church of Christ had verbally communicated to those in attendance that Senator Obama was there as a member of the church and not as a candidate for office, that the audience should not attempt to engage in any political activities, and that the church's legal counsel had advised Senator Obama's campaign of the ground rules for his speech.

Also in response to the inquiry, you indicated that the United Church of Christ did not authorize (or have any power to authorize) campaign volunteers for Senator Obama to set up tables near the entrances of the Hartford Civic Center on Saturday, June 23, 2007, and that the activity was conducted on public property outside the control of the synod and therefore was not attributable to the church.

You further advised that the United Church of Christ's website provides a link to the IRS fact sheet on "Election Year Activities and the Prohibition on Political Campaign Intervention for Section 501(c)(3) Organizations," and that your Nationwide Special Counsel has advised leaders of the United Church of Christ of the publication of Revenue Ruling 2007-41, in June 2007.

Based on your response to the inquiry, we have determined that the activity about which we had concern did not constitute an intervention or participation in a political campaign in violation of the requirements of section 501(c)(3), and that the United Church of Christ continues to qualify as an organization described in section 501(c)(3).

If you have concerns with this matter, you have the right to contact the office of the Taxpayer Advocate. Taxpayer Advocate assistance is not a substitute for established IRS procedures, such as the formal appeals process. The Taxpayer Advocate cannot reverse a legally correct tax determination, or extend the time fixed by law that you have to file a petition in a U.S. Court. The Taxpayer Advocate can, however, see that a tax matter that may not have been resolved through normal channels gets prompt and proper handling. You may call toll-free 1-877-777-4778 and ask for taxpayer Advocate Assistance. If you prefer, you may contact your local Taxpayer Advocate at:

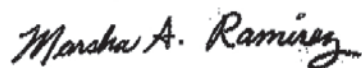
1240 E. 9th St., Room 423
Cleveland, OH 44199

We are enclosing two IRS publications with this letter that may assist you in maintaining future compliance with the prohibition on political campaign intervention. If you have any questions, please contact:

Internal Revenue Service TEGE Division
1601 Market Street, 19th Floor
Philadelphia, PA 19103

Thank you for your cooperation.

Sincerely,

A handwritten signature in black ink that reads "Marsha A. Ramirez". The signature is written in a cursive style with a horizontal line at the end.

Marsha A. Ramirez
Director, EO Examinations

Enclosures