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February 27, 2014

*Via Federal eRulemaking Portal*

The Honorable John A. Koskinen  
Commissioner of Internal Revenue  
CC: PA:LPD:PR (REG 134417-13), Room 5205  
Internal Revenue Service  
1111 Constitution Avenue, NW  
Washington, D.C. 20044

Re: Comments on IRS NPRM, REG-134417-13

Dear Commissioner Koskinen:

Bell, McAndrews & Hiltachk LLP respectfully submits these comments in response to the Notice of Proposed Rulemaking (“NPRM”) issued by the Internal Revenue Service (“IRS”) on November 29, 2013.

Like many of the other commenters, we appreciate that the NPRM was issued with the intent to provide clarity, which is lacking under the current “facts and circumstances” analysis employed by the IRS. However, we believe that the proposed rules have significant flaws which will cause even more confusion and have the effect of chilling speech.

In particular, we are concerned that the proposed rules will confuse the Federal Election Commission’s (“FEC”) existing regulatory framework. We believe that the FEC’s rules should provide the IRS with clear guidance on the subject of independent political activity, and that the IRS should defer to the FEC’s experience and jurisdiction in this area. To do otherwise would create an inconsistent and unclear regulatory framework that would chill constitutionally protected political speech. Thus, we suggest that the IRS should seek to incorporate the FEC’s existing rules and definitions into its tax regulations.

The Center for Competitive Politics (“CCP”) has submitted excellent comments to the IRS on the NPRM that we believe clearly outlines the many problems with the proposed rules. We concur with the analysis and conclusions expressed in CCP’s comments and its alternate proposed rules.

We also are in substantial agreement with the points discussed in the joint filing by First Amendment Counsel Floyd Abrams and his fellow signers outlining the substantial First Amendment problems the proposed regulations pose for a wide assortment of IRC section 501(c)

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groups that have engaged in a host of previously-approved activities such as nonpartisan voter registration, issue advocacy concerning legislation and matters of public interest, to name just a few.

Thank you for considering these comments.

Very truly yours,

A handwritten signature in black ink that reads "Charles N. Bell" with a small mark at the end.A handwritten signature in black ink that reads "Audrey Perry" in a cursive style.

Audrey Perry Martin

CHB/APM/cfd