



May 17, 2013

The Honorable Steven T. Miller
Acting Commissioner of the Internal Revenue Service
Internal Revenue Service
1111 Constitution Ave NW
Washington, DC 20004

Dear Mr. Miller:

We are shocked that the IRS released a list of tax-exempt groups that, though ultimately granted exemption, were referred to centralized review. Publication of such lists should immediately stop, and an apology should be sent to all the groups on this list.

According to the fact sheet released with the list, "Cases are selected for centralization if there are indications in the application that the organization may engage in political campaign intervention, lobbying, or advocacy.... Since centralization, more than 175 applications have been approved to date."

Listing these organizations in such a manner indicates to the public, the media, supporters, and potential supporters that the organizations were deemed suspicious by the IRS. While the organizations were ultimately granted exemption letters, it is well known that the IRS frequently flags such organizations for later review.

Spotlighting these groups in such a manner will, for many organizations, place them in a potentially unfavorable light to current and prospective supporters, as well as the public. This treatment could impede the ability of these groups to raise funds and may encourage those who might be opposed to the mission of these organizations to file complaints with the IRS and other agencies in an attempt to trigger further scrutiny, which would waste organizational resources responding to the complaints.

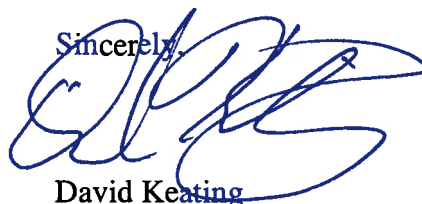
Just because a group went through the centralization process is often meaningless, and, as documented in the recently released report by The United States Treasury Inspector General for Tax Administration, even the referral to the process was often improper. In the future, an organization might go through this centralization process simply because an employee was not sure about an application or has not yet been trained well enough to decide whether further review is necessary.

We have no quarrel with the IRS listing organizations that have received exemption letters on a regular basis. However, these lists should not be segregated by whether the organization went through centralized review. If the IRS continues to publish lists of

groups that have gone through the centralized review process, it will make it more difficult for these groups to work effectively on their mission.

The IRS needs to act more carefully in this sensitive area in order to avoid further harm to organizations that are working to improve our nation.

Sincerely,

A handwritten signature in blue ink, appearing to read 'D. Keating', with a large, stylized flourish extending to the right.

David Keating
President
Center for Competitive Politics

Cc:

The Honorable Jacob J. Lew
Secretary of the Treasury

Senator Max Baucus, Chairman
Senator Orrin Hatch, Ranking Member
Committee on Finance, United States Senate

Representative Dave Camp, Chairman
Representative Sander Levin, Ranking Member
Committee on Ways and Means, United States House of Representatives