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United States
General Accounting Office
Washington, D.C. 20548

General Government Division

B-129874

March 3, 1993

The Honorable Carl Levin
Chairman, Subcommittee on Oversight
of Government Management
Committee on Governmental Affairs
United States Senate



148867

Dear Mr. Chairman:

This is in response to your letter of November 16, 1992, requesting a current listing of tax-exempt organizations under section 501(c)(3) of the Internal Revenue Code reporting lobbying expenses on their most recent tax returns.

Types of 501(c)(3) organizations include entities organized and operated exclusively for religious, charitable, scientific, testing for public safety, literacy, or educational purposes; the prevention of cruelty to children or animals; or to foster amateur sports. As of December 31, 1992, the number of 501(c)(3) organizations totaled 517,857.

Tax-exempt organizations under 501(c)(3) (other than private foundations) having gross receipts in excess of \$25,000 are generally required to file a Form 990 information return, Return of Organization Exempt From Income Tax, with the Internal Revenue Service (IRS). These organizations are also required to report any lobbying expenses incurred during each tax year on Schedule A of Form 990. Exceptions to this requirement include churches, integrated auxiliaries of churches, and conventions or associations of churches.

IRS collects information on lobbying expenses as reported by 501(c)(3) organizations. As agreed with the Subcommittee, we (1) obtained a computer tape and hard copy listing from IRS as of December 31, 1992, of the number of 501(c)(3) organizations reporting lobbying expenses for tax periods ending February 1991 through September 1992 and (2) developed information on lobbying expenses. Per your request, we only included the most recent information return filed by a 501(c)(3) tax-exempt organization.

GAO/GGD-93-13R, Lobbying Expenses

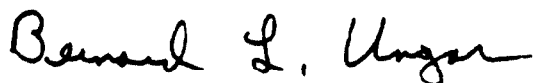
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Of the 517,857 501(c)(3) organizations, 1,925¹ -- less than one percent -- reported lobbying expenses during this period. The amount of lobbying expenses reported on these returns was nearly \$49 million. Additional information is contained in the enclosure to this letter. We did not verify the accuracy of the information obtained.

As agreed with your office, we have forwarded a copy of this letter to the Chairman, Subcommittee on Administrative Law and Governmental Relations, Committee on the Judiciary, House of Representatives. Unless you publicly release its contents earlier, we plan no further distribution of this correspondence until 30 days from the date of issuance. Copies will then be made available to others upon request.

If you have any questions, please call me at 512-5074.

Sincerely yours,



Bernard L. Ungar
Director, Federal Human Resource
Management Issues

Enclosure

¹This figure does not include 3 returns that were dropped to avoid any double counting. It appeared to IRS officials and us that identical lobbying expenses in these 3 cases were reported for both an affiliate organization's group return and the parent organization's separate return.

**DOLLAR RANGE OF LOBBYING EXPENSES REPORTED ON INFORMATION RETURNS
FOR TAX PERIODS ENDING FEBRUARY 1991 THROUGH
SEPTEMBER 1992 OF 501(c)(3) TAX-EXEMPT ORGANIZATIONS
AS OF DECEMBER 31, 1992**

Dollar Range of Lobbying Expenses	Number of Tax Returns	Cumulative Number of Tax Returns	Percentage of Tax Returns	Cumulative Percentage of Tax Returns	Amount of Lobbying Expenses	Cumulative Amount of Lobbying Expenses	Percentage of Lobbying Expenses	Cumulative Percentage of Lobbying Expenses
\$1- 100	152	152	7.90	7.90	\$5,573	\$5,573	0.01	0.01
101 - 500	192	344	9.97	17.87	60,213	65,786	0.12	0.13
501 - 1,000	147	491	7.64	25.51	113,924	179,710	0.23	0.36
1,001 - 2,000	160	651	8.31	33.82	237,872	417,582	0.49	0.85
2,001 - 3,000	95	746	4.94	38.76	243,668	661,250	0.50	1.35
3,001 - 4,000	100	846	5.19	43.95	353,189	1,014,439	0.72	2.07
4,001 - 5,000	83	929	4.31	48.26	380,674	1,395,113	0.78	2.85
5,001 - 6,000	55	984	2.86	51.12	304,872	1,699,985	0.62	3.47
6,001 - 7,000	51	1,035	2.65	53.77	332,785	2,032,770	0.68	4.15
7,001 - 8,000	56	1,091	2.91	56.68	419,384	2,452,154	0.86	5.01
8,001 - 9,000	48	1,139	2.49	59.17	408,795	2,860,949	0.83	5.84
9,001 - 10,000	41	1,180	2.13	61.30	396,768	3,257,717	0.81	6.65
10,001 - 11,000	30	1,210	1.56	62.86	315,085	3,572,802	0.64	7.29
11,001 - 12,000	36	1,246	1.87	64.73	418,004	3,990,806	0.85	8.14
12,001 - 13,000	27	1,273	1.40	66.13	337,710	4,328,516	0.69	8.83
13,001 - 14,000	29	1,302	1.51	67.64	389,500	4,718,016	0.80	9.63
14,001 - 15,000	28	1,330	1.45	69.09	409,461	5,127,477	0.84	10.47
15,001 - 20,000	108	1,438	5.61	74.70	1,881,427	7,008,904	3.84	14.31
20,001 - 30,000	127	1,565	6.60	81.30	3,148,665	10,157,569	6.43	20.74
30,001 - 40,000	71	1,636	3.69	84.99	2,423,137	12,580,706	4.95	25.69
40,001 - 50,000	60	1,696	3.12	88.11	2,697,052	15,277,758	5.51	31.20
50,001 - 60,000	35	1,731	1.82	89.93	1,913,331	17,191,089	3.91	35.11
60,001 - 70,000	31	1,762	1.61	91.54	1,997,845	19,188,934	4.08	39.19
70,001 - 80,000	17	1,779	0.88	92.42	1,263,165	20,452,099	2.58	41.77
80,001 - 90,000	23	1,802	1.19	93.61	1,965,401	22,417,500	4.01	45.78
90,001 - 100,000	16	1,818	0.83	94.44	1,521,230	23,938,730	3.11	48.89
100,001 - 200,000	65	1,883	3.38	97.82	8,761,798	32,700,528	17.89	66.78
200,001 - 250,000	16	1,899	0.83	98.65	3,624,100	36,324,628	7.40	74.18
250,001 - 500,000	18	1,917	0.94	99.59	6,125,043	42,449,671	12.50	86.68
500,001 - 1,000,000	7	1,924	0.36	99.95	5,009,001	47,458,672	10.23	96.91
\$1,000,001 or more	1	1,925	0.05	100.00	1,528,307	\$48,986,979	3.12	100.00
TOTAL	1,925		100.00		\$48,986,979		100.00	

Source: Internal Revenue Service

ENCLOSURE

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