

[Floor Situation](#) | [Summary](#) | [Background](#) | [Cost](#) | [Staff Contact](#)

---

## [H.R. 1314, the Ensuring Tax Exempt Organizations the Right to Appeal Act](#)

### FLOOR SITUATION

On Wednesday, April 15, 2015, the House will consider [H.R. 1314](#), *the Ensuring Tax Exempt Organizations the Right to Appeal Act*, under suspension of the rules. The bill was introduced on March 4, 2015 by Rep. Patrick Meehan (R-PA) and was referred to the Committee on Ways and Means, which ordered the bill reported, as amended, by voice vote on March 25, 2015.

### SUMMARY

H.R. 1314 amends the Internal Revenue Code of 1986 to provide for a right to an administrative appeal relating to adverse determinations of tax-exempt status of certain organizations. This legislation ensures that the Internal Revenue Service (IRS) safeguards the statutory appeal rights afforded to applicants for exempt status. The bill's provisions apply to determinations made after May 19, 2014.

### BACKGROUND

Since early 2011, the Committees on Oversight and Government Reform and Ways and Means have been investigating evidence of possible criminal wrong-doing by IRS employees, including Lois Lerner, the former IRS Director of Exempt Organizations, relating to the targeting of conservative organizations. On April 9, 2014, the Committee on Ways and Means sent a [criminal referral letter](#) to the Department of Justice outlining possible criminal conduct by Ms. Lerner. Included in the letter is evidence that she sought to influence the IRS' independent appeals process. In the course of the investigation, the Committee on Ways and Means discovered that the IRS was denying appeal rights to groups that had been selected for extra review by IRS headquarters in Washington, D.C. The House passed a nearly identical bill ([H.R. 5419](#)) by voice vote on September 16, 2014. The Senate did not act on the measure during the 113<sup>th</sup> Congress.

### COST

[The Joint Committee on Taxation \(JCT\) estimates](#) that enactment will "have a negligible effect on Federal fiscal year budget receipts for the period 2015 to 2025."

## **STAFF CONTACT**

For questions or further information, contact the House Republican Policy Committee at 6-5539.