



## Charting a Careful Course: Understanding Permissible Nonprofit Political Activity

As political discourse intensifies ahead of the 2026 election, it can be tempting for organizations of all types to get involved. That said, nonprofit organizations in particular must exercise caution when participating in political activities to ensure they comply with federal tax law and state regulations governing political activity.

Nonprofits, particularly 501(c)(3) entities, face legal restrictions on their involvement in political campaigns and general political activity. Consequences for engaging in prohibited activity can include loss of tax-exempt status and excise taxes. Our team has summarized these restrictions and guidelines for taking part in permissible political activity.

### Nonprofit Nonpartisanship

As a condition for status as a 501(c)(3), organizations agree to not engage in political campaign activity. This provision prohibits nonprofits from participating or intervening in political campaigns on behalf of, or in opposition to, any candidate for public office in any federal, state, or local election. The Internal Revenue Service (IRS) interprets this prohibition broadly, so even indirect or implicit support for a candidate can trigger enforcement action. Prohibited activity includes:

- Distributing partisan campaign materials or voter guides that compare candidates
- Conducting voter registration and “get-out-the-vote” activities based on party affiliation
- Hosting a candidate at an organization event to speak about their campaign or other political messaging
- Releasing public statements or endorsements about candidates, including signage and social media
- Asking candidates to sign pledges for any issue

Nonprofits can still play an important role in civic engagement through permissible activities:

- Distributing impartial voter guides that set out the candidates’ views on a broad range of issues
- Conducting non-partisan “get-out-the-vote” activities, voter registration, and education drives

- Hosting a candidate at an organization event to speak solely about the organization and topics related to the organization
- Hosting or sponsoring a debate or panel where all candidates are invited, given an opportunity to speak, and the moderator is non-partisan
- Conducting public education and training sessions about political participation and the political process
- Educating candidates on issues related to the organization's mission, so long as information is offered to all candidates equally

Any actions must remain politically neutral, and any materials or communication must not refer to candidates, parties, or positions in a way that favors one side, even implicitly, as the appearance of partisanship or favoritism can raise concerns with the IRS.

Some activities are more likely to become political unintentionally. For example, when hosting a candidate to talk about a nonprofit and their mission, it can be hard to control an active speech. Similarly, hosting a panel can be risky, especially if some candidates are unable to attend. In that event, the panel could be cancelled or clearly presented as a speech and not an endorsement.

## Financial Contributions

Financial contributions to or in support of candidates from nonprofit organizations are heavily regulated. Direct monetary donations in support of partisan political activity or campaigns are outright prohibited. Nonprofit organizations can rent facilities at fair-market value to organizations, legislators, and candidates provided that the service is available to others at the same price.

## Lobbying

A nonprofit is allowed to influence legislation to an extent, but no substantial part of the organization's activities can be lobbying. "Substantial part" is not defined by a specific dollar amount, but financial contributions, messaging, and volunteer time are all involved.

Alternatively, filing an [IRS Form 5768](#) allows a nonprofit to take advantage of a clearer, more predictable standard for lobbying. Through this form, nonprofits elect to measure lobbying activity based on expenditures. This option provides a sliding scale for how much lobbying an organization can do. For example, an organization with annual exempt-purposes expenditures of up to \$500,000 can spend 20% on lobbying.

In Maryland, when certain conditions are met, nonprofits must register as a legislative action lobbyist with the State Ethics Commission. These conditions include:

- The organization communicates **in the presence** of an official or employee of the legislative branch for the purpose of influencing legislative action and **incurs expenses of \$500 or more**
- The organization communicates **in the presence** of an official or employee of the legislative branch for the purpose of influencing legislative action and **earns \$2,500 or more** as compensation from all lobbying activity
- The organization is **not in the presence** of an official but communicates with an official or employee of the legislative branch for the purpose of influencing legislative action and **earns \$5,000 or more** from all lobbying activity

For a complete list of actions that trigger registration requirements, see guidance from the [Maryland State Ethics Commission](#).

## Conclusion

Nonprofits can play an active role in today's political landscape through civic engagement and public education. An organization's activities must be mindful of the strict legal limitations set by the IRS and state-level regulatory bodies. Observing boundaries and implementing internal safeguards can help an organization ensure they remain compliant while fulfilling their mission.

## What's Next?

We would be happy to assist you in addressing any questions. Please reach out to:

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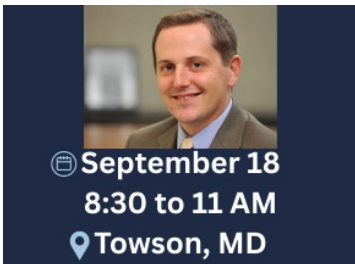
**Brandon Wharton**

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