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July 30, 2026

Honorable Mike Crapo
Committee on Finance
United States Senate
Washington, DC 205150

Honorable Ron Wyden
Committee on Finance
United States Senate
Washington, DC 20510

Dear Chairman Crapo and Ranking Member Wyden,

On behalf of Independent Sector and its members nationwide, I write to endorse the modified Chairman's Mark of the Taxpayer Assistance and Service Act. Independent Sector's strong support for this legislation is made possible by its incorporation of the amendment offered by Senators Lankford and Warnock to ensure that nonprofit organizations have the right to appeal determination of tax-exempt status to the IRS Independent Office of Appeals.

The nonprofit sector — including charities and foundations — has been bringing people together to meet community needs since our nation's founding. Every day, nonprofits provide housing, health care, nutrition, workforce development, education, disaster relief, cultural inspiration, spiritual guidance, environmental conservation, and any number of other vital services. They are among the most trusted organizations in our society while also serving as the economy's third-largest employment sector.

Independent Sector is the national membership organization representing nonprofits, foundations, and corporate giving programs nationwide. Working together, our hundreds of member organizations and their networks reach every state and district and touch the life of every American. They range from some of the largest charities in the world to all-volunteer organizations, and from major philanthropic institutions to small foundations, academic centers, community-based organizations, and more.

Given the value and importance of the nonprofit sector, these organizations are appropriately subject to scrutiny from the IRS to ensure they are living up to their tax-exempt purpose. This includes the risk of being denied tax-exempt status for engaging in improper conduct or submitting an ineligible initial application. The IRS has long provided these organizations with certain due process protections, including the ability to appeal an adverse determination of tax-exempt status and notice of this ability to appeal. However, those protections have never before been fully protected in law.

Title VI of the Taxpayer Assistance and Service Act would bolster the IRS Independent Office of Appeals by allowing it to hire its own attorneys, providing direct hire authority, and requiring it to consider all hazards of litigation in resolving any case. The amendment offered by Senators Lankford and Warnock would simply codify that nonprofit organizations have a right to participate in this strengthened appeals process, while requiring that all these organizations are made aware of their right to appeal.

The Taxpayer Assistance and Service Act will upgrade IRS technology and customer service, support faster tax refunds, and provide better protection for taxpayers. With the adoption of the Lankford/Warnock Amendment, it will also meaningfully bolster due process protections for nonprofit organizations. Independent Sector and its members appreciate your work on this legislation and we look forward to working toward its enactment.

Sincerely,

A handwritten signature in dark ink that reads "Akilah Watkins". The signature is written in a cursive, flowing style.

Dr. Akilah Watkins
President and CEO

[CC – Senator James Lankford, Senator Reverend Raphael Warnock]