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## **Press Release - Muskie Warns IRS on Public Interest Law Firms**

Edmund S. Muskie

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# **MUSKIE**

**Maine**

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FOR RELEASE

IMMEDIATELY  
October 16, 1970

## MUSKIE WARNS IRS ON PUBLIC INTEREST LAW FIRMS

Senator Edmund S. Muskie (D-Maine) today warned the Internal Revenue Service against changing its policies with respect to the classification of public interest law firms.

Senator Muskie said "we owe these groups a debt of gratitude. The Federal government should not hamper or frustrate their work by taxing them out of existence."

Senator Muskie said that it was particularly disturbing that the IRS should be considering this change in policy at a time when young people are asking whether they can accomplish major reform by working within the system. "The dedicated people who have made this kind of commitment to peaceful change by traditional means should not be betrayed at this late date by arbitrary use of the Federal tax power."

The Senator recommended that the IRS "conclude the current investigation as quickly as possible " and make donations to public interest law firms exempt from Federal taxation.

The text of Senator Muskie's telegram to IRS Commissioner Randolph Thrower follows:

Dear Mr. Commissioner:

I was disturbed to learn that the Internal Revenue Service may change its policies and tax charitable donations to organizations which seek to protect the public interest in the courts and before governmental agencies. In recent years, these groups have become increasingly effective in helping to clean up our polluted environment, in furthering civil rights, and in protecting consumers from unsafe products and unfair practices. We owe them a debt of gratitude. The Federal government should not hamper or completely frustrate their work by taxing them out of existence.

I find it particularly distressing that the Internal Revenue Service has chosen the present time to consider this change in policy. Today, in increasing numbers, our young people are asking whether they can accomplish major reform by working within the system. The past successes of the public interest law groups show one important way in which they can use democratic processes to improve the society in which they live. The dedicated people, who have made this kind of commitment to peaceful change by traditional means should not be betrayed at this late date by arbitrary use of the Federal tax power.

The Internal Revenue Service investigation, now in its eighth month, has already hampered the fund-raising efforts of many public interest law groups. I strongly recommend that you take the following steps:

1. Conclude the current investigation as quickly as possible, preferably in less than the 60-day period previously announced; and
2. Give serious consideration to the fact that public interest law firms perform a much needed public service. Donations to these organizations should be exempt from Federal taxation as are donations to other organizations which work for the public good and which "ease the burden of government."

Sincerely,

Edmund S. Muskie  
United States Senator

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