

The IRS Is Also Abusing 'Marijuana'

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Many people were shocked by recent revelations that the Internal Revenue Service targeted organizations it perceived to be critical of the government.

I wasn't shocked in the least.

Long before the IRS began singling out groups with the words "tea party" or "patriot" in their names, "marijuana" was a political buzzword that elicited special attention from the IRS. Specifically, nonprofit organizations that contest the federal government's anti-marijuana policies and propaganda are the organizations that appear to experience more scrutiny than most.

The Marijuana Policy Project (MPP), of which I am executive director, presents a perfect example. In 2000 and again in 2006, MPP was subjected to grueling audits, despite no evidence of faulty accounting or violations of the IRS' rules governing nonprofits. The first stemmed from a letter sent to the IRS in 1998 by U.S. Sen. Dianne Feinstein (D-CA), who has spent a good part of her career advocating for the criminalization of marijuana users, including me. Her reason for questioning MPP's tax-exempt status? She received a letter from a single constituent who wrote this to her: "The idea that a bunch of pot purveyors can raise money like this on a tax exempt basis is offensive."

And with that, an organization that had recently survived a rigorous IRS application process -- and that had only about \$150,000 in revenues during the year in question -- was forced to bear the brunt of a federal audit. On the bright side, the IRS' determination that MPP was in compliance with the federal tax code and accounting procedures allowed us to use that information in a compelling fundraising appeal to existing and potential MPP donors.

It is hard to imagine that Sen. Feinstein would ask the IRS to investigate an abortion rights group or another one of her favorite nonprofit organizations based on a letter from just one of her 38,000,000 constituents. And if she did, would the agency's overloaded and understaffed Exempt Organizations Division invest its limited resources on a full audit based on a single meritless constituent complaint? If the agency really is that responsive to a letter from one individual, it begs the question of whether a letter-writing campaign asking for an audit of the Heritage Foundation and other prohibitionist organizations might be in order.

There were more than 1,709,000 tax-exempt organizations on file with the IRS in 2005, according to The Hauser Center for Nonprofit Organizations at Harvard University. Of those, the IRS reportedly examined 2,764 tax returns. Imagine my surprise in 2006 when I learned that MPP would be audited for a second time. This time, the organization was singled out for no reason whatsoever; there wasn't even a grumpy letter from a California resident (or U.S. senator).

So, once again, my team had to devote significant resources to an audit, which included an IRS agent camping out in our office for days. And, once again, MPP received a clean bill of health.

This kind of experience has not been limited to MPP, and it has not been limited to audits. For example, late U.S. Rep. Gerald Solomon (R-NY) sought the revocation of the Cato Institute's tax-exempt status in the mid-1990s, simply because it sponsored discussions about the option of ending marijuana prohibition. Some marijuana policy reform organizations even encounter the IRS' anti-marijuana attitude before becoming tax-exempt.

Colorado-based Safer Alternative For Enjoyable Recreation (SAFER), which works exclusively to educate the public about the relative safety of marijuana compared to alcohol, spent the better part of a year fighting for tax-exempt status. The process came to a head when the organization received a letter from the IRS accusing SAFER of organizing "festivals and protests that are not always peaceful" and asking it to explain how its activities do not violate the law. The IRS attached dozens of printouts of online news stories in which commenters talked about using marijuana, along with webpages regarding marijuana-themed festivals and events, none of which were organized by SAFER and all of which were peaceful.

It is hard to imagine an organization formed to defend marijuana prohibition ever facing such excessive scrutiny from the federal government.

Whether the subject is taxes, guns, abortion, or marijuana, when it comes to legitimate public policy discussions, the federal government should never attempt to suppress any organization's voice. This does not just apply to the executive branch, but also the legislative branch -- both Democrats and Republicans.

The public and the media are right to be infuriated by the IRS' overtly political -- and probably illegal -- targeting of certain conservative groups. This outrage should extend to the harassment of organizations that support marijuana policy reform. After all, marijuana legalization is more popular than the federal government, the president, and both major political parties.