People are seen near the Washington Monument in Washington Aug. 10. (CNS/Tyler Orsburn)

by Emily McFarlan Miller

Contributor

View Author Profile

Join the Conversation

Send your thoughts to *Letters to the Editor*. Learn more

Washington — November 2, 2017

Churches would gain the right to endorse political candidates and still retain their tax-free status under a provision in House Republicans' tax overhaul plan.

The bill would repeal a 63-year-old law credited to former President Lyndon Johnson back when he served in the Senate.

Critics warn it could open a loophole that could funnel tax-free money into campaigns. The provision would cost $2 billion over the coming decade, according to congressional scorekeepers.

The Johnson amendment law prohibits tax-exempt charitable organizations such as churches from participating directly or indirectly in any political campaign to support or oppose a candidate. If the IRS determines that a group has violated the law, it can revoke its tax-exempt status.

The GOP plan permits political activity by churches so long as there is a minimal cost.

House Republicans released the tax cut plan on Thursday (Nov. 2). In addition to repealing the Johnson Amendment, it would slash the corporate tax rate, lower taxes for most people and limit a cherished deduction for homeowners.

The proposal would add $1.5 trillion to the nation's debt over the next decade.

GOP negotiators have worked furiously this week to finalize details of the first major revamp of the tax system in three decades.

Still, they missed a self-imposed Wednesday deadline as leading Republicans batted down rumors that the public rollout could be delayed until next week.

The legislation is a longstanding goal for Capitol Hill Republicans. They see a once-in-a-generation opportunity at rewriting the tax law.

President Trump says he hopes to have the tax reform package signed into law by the end of the year.