



Oppose H.R. 9495

November 19, 2024

Dear Representative:

On behalf of The Leadership Conference on Civil and Human Rights, a coalition of more than 240 national advocacy organizations, I am writing to express our opposition to H.R. 9495, the “Stop Terror-Financing and Tax Penalties on American Hostages Act.” Specifically, we are opposed to Section 4 of the bill, which in our view raises significant constitutional concerns. **We intend to add your position on H.R. 9495 to our voting record for the 118th Congress.**

Section 4 of the bill proposes to grant the Secretary of the Treasury broad and unilateral discretion to brand any nonprofit in the United States as a “terrorist supporting organization” and to strip it of its tax exempt status, upon a determination by the secretary that the organization has provided vaguely defined “material support or resources” to a terrorist group.

The provisions of Section 4 invite the risk of politicized and discriminatory enforcement against nonprofit organizations within the United States. These provisions are not necessary, as the federal government already has extensive authority to prohibit transactions with individuals and entities it deems connected to terrorism, and nonprofit organizations are already prohibited — including under criminal law — from providing material support for terrorist organizations.

The key difference Section 4 would make from existing law is that it would eliminate the due process. Under its provisions, the Secretary of the Treasury could strip a United States nonprofit of its tax-exempt status without providing it with a meaningful opportunity to defend itself before a neutral decisionmaker. The bill does not require disclosure of the reasons for such a decision, the evidence relied upon to support the decision, or any evidence in the government’s possession that might undermine its decision, leaving an accused nonprofit entirely in the dark about what conduct the government believes qualifies as “material support or resources.”

Given its lack of guardrails, the potential for abuse under Section 4 is troubling. It would give the executive branch a tool it could use to curb free speech, censor nonprofit media outlets, target political opponents, and punish disfavored groups across the political spectrum. Moreover, the addition of this authority to the tax code would allow the IRS to explicitly target and harass domestic nonprofits through its investigative authority. We are concerned this authority could be used by an administration to target political opponents, relying to great extent on the prospect of staggering legal fees and protracted litigation, the public stigma of an adverse designation, and the deterrence of donors, all of which would have the effect of stifling dissent and chilling free speech.

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For these reasons, The Leadership Conference on Civil and Human Rights urges you to oppose H.R. 9495 as currently written. Thank you for your consideration. If you have any questions, please contact Rob Randhava, senior counsel, at randhava@civilrights.org.

Sincerely,



Jesselyn McCurdy
Executive Vice President of Government Affairs
The Leadership Conference on Civil and Human Rights