



The

THE GAY WEEKLY OF THE NATION'S CAPITAL

Washington Blade

IRS rethinks ruling on Gay youth group

by Peter Freiberg

The Internal Revenue Service (IRS) promised last week to reconsider its rejection of the tax exemption application of a North Carolina Gay youth organization and expressed confidence the case will be "quickly resolved."

The turnabout was praised by Lambda Legal Defense and Education Fund, a national Gay organization that wrote to the IRS on July 2 demanding the agency withdraw its insistence that the North Carolina group prove it would not "encourage or facilitate homosexual practices ... attitudes and propensities" among minors.

The IRS agreed to Lambda's requests to withdraw a September letter that had demanded such proof and to reopen the group's application for tax exemption.

Continued on page 23

9-728

IRS reconsiders ruling on Gay youth group

Continued from page 1

"In order to take a fresh look at your application," wrote Edward Karcher, an official in the IRS's exempt organizations division, in a July 9 letter to Greensboro's Gay and Lesbian Adolescent Support System (GLASS). "It will be reassigned to a different Tax Law Specialist."

Karcher said that while the IRS may need to request additional information from GLASS, "We are confident that any such factual questions will be quickly resolved."

"In this regard," Karcher said, "we agree with [Lambda Legal attorney David Buckel] that the methodology used to communicate a viewpoint or position to others should be the focus, rather than the viewpoint itself."

Buckel, who had told the IRS that it had no business being worried about either "homosexual attitudes" or "heterosexual attitudes," said he was "very pleased" that Karcher's letter confirmed the IRS should not "examine groups for their viewpoint."

"To me," said Buckel, "it's striking that the IRS withdrew its discriminatory letter only seven days after Lambda's demand. It shows the agency has taken the discrimination in this individual case very seriously and signals that the agency will be fair and professional for

the rest of its inquiry."

But Buckel said Lambda has also retained a prominent Washington law firm, Arnold and Porter, to make a Freedom of Information Act request for IRS records to ascertain "whether or not there's a broader problem of bias" against tax exemption applications from organizations working with Gay youth.

"There may not be [a broader problem]," Buckel said, "but if there is a problem, at least now we have every reason to be hopeful that the IRS would seek to correct it, based on its very swift response to our discrimination complaint."

GLASS, a small, five-year-old volunteer group, holds weekly support groups attended by young people and led by at least two adults.

Like thousands of other Gay and other educational and charitable organizations, GLASS wants tax exemption in order to gain donations from individuals, foundations, or corporations, which can then deduct these contributions from their taxes.

But after applying in February 1996, GLASS had its application bumped from IRS's Atlanta regional office to national headquarters. Then, last September, GLASS received what president Gary Palmer calls an "intimidating" and "totally homophobic" five-page letter

from IRS tax law specialist John Roman Faron, who is currently on leave.

Faron demanded that GLASS describe in detail "the procedures and safeguards in place to assure that counselors and participants do not encourage or facilitate homosexual practices or encourage the development of homosexual attitudes and propensities by minor individuals attending your programs."

GLASS did not publicize the September letter and debated for months whether to proceed. This spring, the Greensboro group contacted Lambda, which researched the issue, wrote to the IRS July 2, and brought media attention to the case.

The IRS's hostile September letter to GLASS surprised some Gay activists and tax experts, since the agency has approved exemption applications of many Gay groups — including one from another North Carolina support group for Gay youth, Time Out Youth in Charlotte.

But some activists said they had heard of other youth-related Gay organizations encountering problems; the director of a Minneapolis group that works with Gay youth said he believes homophobia delayed his group's approval until he retained a lawyer.

GLASS's Palmer, a manager in a local business, was ecstatic over the IRS's July 9 response, calling it "truly

exciting."

"I'm just elated that it happened so rapidly," said Palmer, "and kind of astonished that they would openly admit that that [September letter] was not the right way to do it."

"They are saying that they are going to treat us with real equality, without any bias," Palmer said. "I'm glad to see that somebody there is taking such a good stand, rather than just equivocating. I'm very excited."

Palmer said he is confident GLASS will receive its tax exemption, saying, "I can't imagine a reason why we couldn't get one."

Asked about the IRS's July 9 letter, Jodi Patterson, an agency spokesperson, reiterated that because of privacy concerns, the agency cannot comment on any pending tax case or even confirm that a group has applied for tax exemption.

In a recent interview, Marcus Owens, director of the IRS exempt organizations division, told the *Blade* that whenever any applicant for tax-exempt status believes it is being treated with bias "for whatever reason — religion, politics, their sexual orientation, whatever it is — our procedures are to reassign the case to someone else."

"Everyone," said Owens, "should be treated equally under the law." ▼