

# Tax-Exempt Organization Complaint (Referral)

## Referred Organization Information

1. Name of referred organization

Standing for Texas

2. Street address

5900 Balcones Drive, Suit 100

3. City

Austin

4. State

TX

5. ZIP code

78731

6. Date of referral

March 11, 2026

7. Organization's Employer Identification Number (EIN)

## Details of Alleged Violation

8. Name(s) of person(s) involved

9. Organizational title(s)

10. Date(s)

3/28/2025 to 2/21/2026

11. Dollar amount(s) (if known)

\$5,100,933

12. Description of alleged activities (briefly describe the facts of the alleged violation – Who/What/Where/When/How you learned about and obtained the information in this report. Attach another sheet if needed)

See attached.

## Submitter Information

13. Name

Foundation for Accountability and Civic Trust

14. Occupation or business

Government Ethics

15. Street address

1717 K Street NW, Suite 900

16. City

Washington DC

17. State

DC

18. ZIP code

20006

19. Telephone number

20. I am concerned that I might face retaliation or retribution if my identity is disclosed

## Submission and Documentation

The completed form, along with any supporting documentation, may be mailed to IRS TEGE Classification, Mail Code 4910DAL, 1100 Commerce Street Dallas, TX 75242-1027 or emailed to [eclass@irs.gov](mailto:eclass@irs.gov). **Disclaimer Notice:** Your email submission of Form 13909 and attachments are not encrypted for security.



# FACT

FOUNDATION FOR  
ACCOUNTABILITY  
AND CIVIC TRUST

## FORM 13909 SECTION 12: Description of Alleged Activities

Certain organizations are exempt from federal taxation under Section 501(c)(4) of the Internal Revenue Code because they are “not organized for profit but operated exclusively for the promotion of social welfare.”<sup>1</sup> These 501(c)(4) organizations “may engage in political campaigns on behalf of or in opposition to candidates for public office provided that such intervention does not constitute the organization’s primary activity.”<sup>2</sup> This rule exists because “support of a candidate for public office necessarily involves the organization in the total political attitudes and positions of the candidate,” and the promotion of a single person’s political ambitions does not promote social welfare.<sup>3</sup>

Although the IRS has never clearly defined the specific numerical threshold beyond which a particular activity becomes an organization’s primary purpose, former IRS Commissioner Koskinen stated in 2015 that “an organization’s primary activity is not political activity as long as ‘[the organization] spend[s] at this point, less than 49 percent of [its] money on politics.’”<sup>4</sup> Significantly, if a 501(c)(4) organization’s spending on political activity becomes so substantial that it crosses the line and “became [its] primary activity,” the organization “would instead become [a] 527” political organization that is subject to campaign finance registration, reporting, and donor disclosure requirements.<sup>5</sup>

The nonprofit organization Standing for Texas was incorporated in Texas on March 12, 2025.<sup>6</sup> While records confirming 501(c)(4) status are not yet available, Standing for Texas has been reported in media as a “social welfare” organization, a term commonly used to refer to a

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<sup>1</sup> 26 U.S.C. § 501(c)(4)(A).

<sup>2</sup> John Francis Reilly & Barbara A. Braig Allen, *Political Campaign and Lobbying Activities of IRC 501(c)(4), (c)(5), and (c)(6) Organizations* at L-2, Internal. Rev. Serv. (2003), <https://www.irs.gov/pub/irs-tege/eotopicl03.pdf>.

<sup>3</sup> *Id.* at L-3.

<sup>4</sup> *Freedom Path, Inc. v. Internal Revenue Service*, No. 20-cv-1349 (JMC) (D.D.C. Sept. 30, 2025), [https://www.govinfo.gov/content/pkg/USCOURTS-dcd-1\\_20-cv-01349/pdf/USCOURTS-dcd-1\\_20-cv-01349-0.pdf](https://www.govinfo.gov/content/pkg/USCOURTS-dcd-1_20-cv-01349/pdf/USCOURTS-dcd-1_20-cv-01349-0.pdf).

<sup>5</sup> *Id.* at 6 (quoting Paul C. Barton, *Koskinen’s Comments on Political Spending of Nonprofits Disputed*, Tax Notes (May 1, 2025), <https://www.taxnotes.com/tax-notes-today-federal/exempt-organizations/koskinens-comments-political-spending-nonprofits-disputed/2015/03/31/fs28>).

<sup>6</sup> Tex. Sec’y of State, Franchise Tax Account Status—Standing for Texas, available at: <https://comptroller.texas.gov/taxes/franchise/account-status/search/32099256193>.

501(c)(4).<sup>7</sup> Over the subsequent twelve months, the organization has engaged in minimal public activity. Standing for Texas has, however, produced and distributed five television advertisements touting various aspects of Rep. Wesley Hunt’s biography.<sup>8</sup> Although none of the advertisements expressly reference the Republican U.S. Senate primary election in which Hunt ran as a candidate, each ad portrayed Hunt in a positive light and one ad (“Thank Him”)<sup>9</sup> even directly contrasted Hunt with one of his primary opponents Senator John Cornyn. Importantly, Standing for Texas only became engaged in supporting Mr. Hunt as the Republican primary election drew near, and the organization has never engaged in previous support of Mr. Hunt, nor has it produced any advertisements praising any other elected official. Considering the relevant context, each ad therefore constitutes the functional equivalent of express advocacy because, per FEC regulations, the ads are “susceptible of no reasonable interpretation other than an appeal to vote for . . . a clearly identified Federal candidate.”<sup>10</sup>

According to AdImpact, as of February 25, 2026, Standing for Texas has spent a total of **\$4,413,161.00** to distribute the five advertisements described above. It does not appear that the organization has engaged in any other activities whatsoever; the only references to “Standing for Texas” appearing in the news media consist of articles discussing its activities supporting Hunt’s candidacy in the 2026 Texas U.S. Senate primary. Although annual tax filings of Standing for Texas are not yet publicly available, and therefore the full scope of its activities cannot yet be independently verified, these five political advertisements are the sole organizational activity that appears in the public record. Hence, it appears that Standing for Texas exists primarily to support Hunt’s Senate candidacy rather than to advance any permissible exempt purpose.

If that were not enough to demonstrate the fundamentally political character of Standing for Texas’s activities, the organization also recently transferred a total of \$690,000.00 in three installments into Fighting for Texas, a federal Super PAC supporting Hunt’s campaign.<sup>11</sup> Within days of the first transfer, the Super PAC began airing an advertisement that is nearly *identical* to

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<sup>7</sup> Matthew Choi, *Rep. Wesley Hunt praised in statewide ads as Cornyn kicks off reelection campaign*, The Texas Tribune, Mar. 26, 2022, available at: <https://www.texastribune.org/2025/03/26/texas-congress-wesley-hunt-john-cornyn-political-ads/>

<sup>8</sup> Copies of all five advertisements are available at the following links:

- Thank Him: <https://adm0.page.link/dKsC>
- Backing Trump: <https://adm0.page.link/Sp8R>
- Fighting for Texas Families: <https://adm0.page.link/CkUA>
- From Day One: <https://adm0.page.link/mo4q>
- Thank Hunt: <https://adm0.page.link/e4Aq>

<sup>9</sup> AdImpact, *Standing for Texas—Thank Him*, <https://adm0.page.link/dKsC>.

<sup>10</sup> 1 C.F.R. § 109.21(c)(5).

<sup>11</sup> Fed. Election Comm’n, *Fighting for Texas—Schedule A Itemized Receipts*, available at: <https://docquery.fec.gov/cgi-bin/forms/C00922187/1948031/sa/ALL>.

the latest advertisement disseminated by Standing for Texas, with the sole exception being tweaks to the written and audio disclaimers at the end.<sup>12</sup> In other words, two identical advertisements promoting Hunt’s Senate candidacy are simultaneously airing on broadcast and CTV in Texas, but one is funded by a 501(c)(4) and the copycat is funded by a Super PAC. If a viewer changed the channel five seconds before the end of an ad, they would never know the difference.

The \$690,000.00 sum transferred to Fighting for Texas indisputably constitutes “political” activity because the recipient is a 527 political committee that exists primarily for political purposes. Moreover, the fact that the Super PAC was able to copy-and-paste an entire 501(c)(4) “issue ad” and repurpose it as a political advertisement with a simple tweak to the disclaimer demonstrates that each of Standing for Texas’s television advertisements should count towards the organization’s total political spending.

In total, Standing for Texas has spent at least **\$5,103,151.00** on political activity in its first eleven months of existence. If the organization is complying with federal law governing exempt organizations, then it would have needed to spend, at bare minimum, \$5,311,453.29 on non-political exempt activities that promote social welfare. There is no evidence in the public record to indicate that Standing for Texas has complied with that requirement, and an investigation into whether Standing for Texas is entitled to retain its tax-exempt status is warranted.

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<sup>12</sup> Compare Admo, *Standing for Texas—Thank Him*, <https://adm0.page.link/dKsC> (“Call Wesley Hunt and thank him for standing with President Trump!”) with Admo, *Fighting for Texas—America First Patriot*, <https://adm0.page.link/qu1j> (“Fighting for Texas is responsible for the content of this ad.”).