



OFFICE OF
CHIEF COUNSEL

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

March 18, 2005

VIA E-MAIL & REGULAR MAIL

Ms. Mai T. Dinh
Assistant General Counsel
Federal Election Commission
999 E Street, NW
Washington, DC 20463

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OFFICE OF THE CHIEF COUNSEL
DEPARTMENT OF THE TREASURY

Dear Ms. Dinh:

Thank you for sending to us a copy of Notice 2005-6, which contains proposed rules relating to appearances by Federal officeholders and candidates at State, district, and local party fundraising events. Pursuant to 2 U.S.C. § 438(f), the Federal Election Commission and the Internal Revenue Service are to "consult and work together to promulgate rules, regulations, and forms which are mutually consistent."

Your Notice proposes an explanation of the current exception at 11 C.F.R. 300.64(a) and (b), in order to comply with the district court's decision in Shays v. FEC, 337 F. Supp. 2d 28 (D.D.C. 2004). In addition, your Notice offers an alternative approach to the current exception for Federal officeholders and candidates attending, speaking, or appearing as a guest at State, district, and local party fundraising events. The proposed rules under the alternative approach provide that Federal officeholders and candidates would not be able to solicit, receive, direct, transfer or spend non-Federal funds, including Levin funds at the party fundraising event. Please be advised that we believe the proposed explanation and the proposed rules do not pose a conflict with the Internal Revenue Code or the regulations thereunder.

If you would like to discuss any the issues involved, please feel free to call Cynthia Morton or me at (202) 622-6070.

Sincerely,

Michael B. Blumenfeld
Senior Technician Reviewer
Exempt Organizations Branch 2
Office of the Division Counsel/Associate Chief
Counsel (Tax Exempt & Government Entities)