

The Guardian

IRS glitch masked \$51m in political donations, finance watchdog says

Exclusive: Error in second half of 2025 came after IRS saw over a quarter of its workforce reduced after huge cuts by Doge

<https://www.theguardian.com/us-news/2026/mar/20/irs-error-political-donations>

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A technical glitch at the understaffed Internal Revenue Service (IRS) is masking millions of dollars in campaign contributions to state-level election groups, including key governor and attorney general races, a campaign finance watchdog has told the Guardian.

A total of \$51m for the second half of 2025 remains unaccounted for due to this technical error, according to the Center for Political Accountability (CPA), a non-profit that tracks corporate spending.

Researchers at the CPA noticed the discrepancy in February, when donor and spending lists from the year before are typically made public after a 31 January deadline. But so far, the disclosures remain blank.

The gaps come as these organizations face another filing deadline just weeks away, with no sign that the error will be fixed by then.

“It’s a major change in norms for what’s been a pretty routine process for major political organizations,” said Jeanne Hanna, vice-president of research at the CPA. “This is a midterm year that we’re going into. There’s going to be a lot of spending on state races, and these are the groups that are coordinating huge chunks of spending.”

The glitch is affecting the financial disclosures of 527 organizations, which are tax-exempt political campaign groups that are overseen by the IRS.

Every year, these 527 organizations are required to report itemized lists of donors that contribute more than \$200, along with expenditures that total more than \$500.

These donor and spending lists are typically made public soon after organizations disclose them. But the disclosure lists for multiple 527 organizations covering the second half of 2025 were left blank. In their place is the same message, seen over and over again on filings: “IRS technical issue preventing e-file reporting.”

Affected groups include the influential Republican Attorney General’s Association (Raga), the Republican State Leadership Committee (RSLC) and the Democratic Legislative Campaign Committee (DLCC), donations to which totaled \$41m for the second half of 2025.

Although its filing notes the same IRS technical issue message, the DLCC’s campaign filing included a link to its website where its full disclosure is found.

The DLCC and RSLC declined to comment on the ongoing technical issues. Raga did not respond to the Guardian’s request for comment.

The Republic Governor’s Association (RGA) was also affected by the glitch, with \$32m in donations not itemized from last year, though the group was able to upload an amended filing with a full list earlier this week. The RGA did not respond to request for comment.

Hanna noted that a similar glitch was seen last summer but was quickly fixed, and 527 organizations were able to upload their lists as usual. But over the last few weeks, the IRS has not publicly announced when or if these disclosure forms will be fixed.

“There’s been radio silence about whatever the issue is this time,” Hanna noted. “It is turning into a complete black hole.”

The technical error comes after the IRS has seen more than a quarter of its workforce reduced after huge cuts last year by the “Department of Government Efficiency” (Doge).

How often an organization has to report depends on whether it is an election year. Because last year was a non-election year, groups had to file just two reports. As 2026 is an election year, 527 groups will have to file reports every quarter, and the upcoming deadline to file is 15 April.

An IRS spokesperson responded to a Guardian request for comment on 18 February saying that the issue had been resolved but did not respond to multiple follow-up questions.

Typically, campaign groups like political action committees, or Pacs, are overseen by the Federal Elections Commission (FEC). These 527 organizations are the largest groups that are both overseen by the IRS and are explicitly defined as political organizations.

Groups on both side of the political spectrum often pool funding to channel money into contested races. The RGA was the top donor for Florida governor Ron DeSantis's re-election campaign in 2022, while its Democratic counterpart, the Democratic Governor's Association (DGA), contributed the most funds to Democrat Tony Evers' incumbent race in Wisconsin that same year.

In a report to Congress from January, national taxpayer advocate Erin Collins suggested that while the agency will try its best to service taxpayers this year, it has undergone massive changes that could cause challenges.

"Among the reasons the 2025 filing season went well was that the IRS had its largest workforce in many years and faced no major tax law changes that required implementation during the filing season," Collins said in January.

"Entering 2026, the landscape is markedly different. The IRS is simultaneously confronting a reduction of 27% of its workforce, leadership turnover, and the implementation of extensive and complete tax law changes mandated by the [One Big Beautiful Bill] Act," she added.

Bruce Freed, president and co-founder of the CPA, noted that 527 organizations have grown in influence over the last decade because of partisan gridlock in Washington. State attorneys general have particularly grown powerful over the last decade as they can band together on multistate lawsuits to block federal action.

For example, under the Biden administration, Republican attorneys general banded together to block Joe Biden's student loan relief plan, which was ultimately struck down by the supreme court.

Corporate political spending to these groups can total millions of dollars a year, as it is often easier for companies to donate to these political groups than to individual campaigns.

"They've been the dominant recipients of corporate money," Freed said. "This is so important because 527s have been absolutely crucial, especially on the Republican side, for reshaping state and national politics and policy."