ACSI
STRONGER TOGETHER
Association of Christian Schools International

Public Comments in response to

REG-119986-25: Racial Nondiscrimination in Private Schools

October 23, 2026

On behalf of the Association of Christian Schools International (ACSI), we thank the Internal Revenue Service (IRS) for the opportunity to submit comment on **REG-119986-25: Racial Nondiscrimination in Private Schools.** ACSI represents nearly 6000 Christian schools around the world, including 2,200 Christian schools in the U.S. and 60 Christian institutions of higher education.

ACSI appreciates the Administration's commitment to ensuring fair and equitable treatment within private schools. However, we urge the Treasury Department and the IRS to carefully reconsider the proposed rule's implications for nonprofit organizations and the precedent it could establish.

The government has a legitimate interest in enforcing applicable laws. However, that interest must be balanced with the need for clear statutory authority, predictable rules, religious liberty, and institutional independence. The loss of tax-exempt status can have consequences far beyond a single organization, affecting families, students, donors, and the communities that nonprofit organizations serve.

Tax-exempt status is a significant designation that enables nonprofit organizations to fulfill their charitable, educational, and religious missions. The government should exercise great caution before using the tax code to condition that status on compliance with expanding administrative interpretations of public policy. Once established, such a precedent could create uncertainty for nonprofits across the country about whether their longstanding missions, institutional policies, or sincerely held religious convictions could jeopardize their tax-exempt status.

Regulatory uncertainty has legitimate consequences for ACSI schools. Schools are responsible for stewarding the resources entrusted to their ministry while ensuring they remain faithful to their mission. The possibility of losing tax-exempt status because of changing administrative interpretations creates significant risk for Christian school leaders, governing boards, donors, and families. Such uncertainty can affect long-term strategic planning, financial sustainability, tuition affordability, charitable giving, and ultimately their ability to serve students effectively.

The federal government should not establish a precedent that makes tax-exempt status an increasingly broad instrument for advancing administrative policy objectives. ACSI urges the Treasury Department and the IRS to ensure that any final rule remains firmly grounded in statutory authority and does not unintentionally undermine nonprofit independence or religious liberty.

Christian schools have a strong biblical commitment to the dignity of every individual and thus the importance of protecting the religious mission of Christian schools is paramount, consistent with the Constitution's First Amendment freedom of religion. Christians believe that every person is created in God's image and that our identity and unity in Christ transcend racial and ethnic distinctions. Christian schools strive to be among the strongest advocates for treating every student and family with dignity, fairness, and respect. Ultimately, our commitment to racial nondiscrimination flows from our biblical worldview, not merely from compliance with federal regulations.

Thank you for your consideration,

The Association of Christian Schools International (ACSI)

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