

# United States Senate

COMMITTEES:  
COMMERCE, SCIENCE, AND TRANSPORTATION  
FINANCE  
JUDICIARY  
VETERANS' AFFAIRS

March 26, 2026

## VIA ELECTRONIC TRANSMISSION

Mr. Robert Malone  
Director, Exempt Organizations and Government Entities  
Tax Exempt and Government Entities Division  
Internal Revenue Service

Dear Mr. Malone:

I write to draw your attention to a concerning article describing—and in some respects even promoting—efforts by Planned Parenthood affiliates to “attract a new clientele” by offering neurotoxin injections similar to Botox and other aesthetic treatments while operating as tax-exempt 501(c)(3) charitable organizations.<sup>1</sup> Planned Parenthood Mar Monte in Northern California—the organization’s largest affiliate—now operates a dedicated aesthetics program, marking a significant shift from the organization’s claim to be a charitable health care organization providing public health services.<sup>2</sup>

This expansion to aesthetics, according to Planned Parenthood Mar Monte Chief Medical Operating Officer Dr. Laura Dalton, “is an alignment with what Planned Parenthood stands for. Planned Parenthood stands for bodily autonomy. Planned Parenthood stands for: You decide what is best for you, and what you need to feel good, and to feel like your body is what you want it to be.”<sup>3</sup>

Let’s be clear what is *actually* occurring here. Planned Parenthood, in an effort to abuse its 501(c)(3) status, is appealing to the women’s beauty market after the Working Families Tax Cut Act (Public Law 119-21) imposed a restriction on federal Medicaid funding for tax-exempt community abortion providers. In a clear statement of admission, Planned Parenthood Mar Monte President and Chief Executive Officer Stacy Cross, stated the affiliate broadened its services to “keep its doors open” and fill in the estimated \$100 million revenue gap for the one affiliate alone.<sup>4</sup>

From 2019 to 2021, Planned Parenthood affiliates received approximately \$148 million in HHS grants or cooperative agreements and \$1.54 billion in Medicare, Medicaid, and CHIP payments.<sup>5</sup> In addition, \$89 million in Paycheck Protection Program loans—federal loans to small businesses and nonprofits affected by COVID-19—were forgiven.<sup>6</sup> Billions in federal dollars went to the core

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<sup>1</sup> Jennifer Calfas, *Planned Parenthood Wants You to Get Your Botox at Its Clinic*, Wall Street Journal (Mar. 3, 2026, 2:33 AM), [https://www.wsj.com/health/healthcare/planned-parenthood-wants-you-to-get-your-botox-at-its-clinic-9807228f?mod=article\\_inline](https://www.wsj.com/health/healthcare/planned-parenthood-wants-you-to-get-your-botox-at-its-clinic-9807228f?mod=article_inline).

<sup>2</sup> Calfas, *supra* note 1; *Who We Are*, Planned Parenthood, (last accessed Mar. 11, 2026) <https://www.plannedparenthood.org/about-us/who-we-are>.

<sup>3</sup> Alisha Gupta, *A Planned Parenthood Clinic, in a Pinch, Turns to Botox*, The New York Times (Mar. 11, 2026), <https://www.nytimes.com/2026/03/11/style/planned-parenthood-botox-california-nevada.html>.

<sup>4</sup> *Id.*

<sup>5</sup> U.S. GOV’T ACCOUNTABILITY OFF., GAO-24-106215, HEALTH CARE FUNDING: FEDERAL FUNDING FOR CERTAIN ORGANIZATIONS PROVIDING HEALTH-RELATED SERVICES, 2019 THROUGH 2022 (2023).

<sup>6</sup> *Id.*

operations of Planned Parenthood and its affiliates, which include providing abortion services and referrals, and counseling on pregnancy termination.<sup>7</sup> For that very reason, a critical provision in Section 71113 of the Working Families Tax Cuts (Public Law 119-21) restricted the use of federal funds for those purposes and to entities providing them that receive more than \$800,000 in federal reimbursements.<sup>8</sup> Subsequently, more than 50 Planned Parenthood clinics across the nation have already closed, and those remaining are expanding services to compensate for losses.<sup>9</sup>

These offerings go well beyond facial injections. Now, individuals can purchase IV hydration treatments for \$100 to \$150, and the affiliate plans to add dermal fillers, laser hair removal, and other cosmetic services akin to a med-spa. As the article notes, “[n]ow, along with access to birth control, abortions and testing for sexually transmitted infections, patients can order an IV hydration after a night of drinking—or smooth crow’s feet.”<sup>10</sup>

An expansion “beyond a clinic’s core offerings,” requires the stamp of approval from the National Office, meaning this is not the result of a single rogue affiliate, but a top-down expansion and messaging effort.<sup>11</sup> These developments not only raise concerns about Planned Parenthood growing beyond its original mission statement, but also about the use of its federally supported resources in that expansion. Federal cost-allocation rules require recipients of federal funding to properly separate costs associated with federally supported activities, and federal funds generally may not subsidize unrelated commercial services.<sup>12</sup>

Planned Parenthood’s website states its affiliates are “separately incorporated 501(c)(3) charitable organizations that provide essential care to 2.1 million patients annually.”<sup>13</sup> The expansion of elective cosmetic services raises serious questions about whether such activities are sufficiently related to the charitable mission that justifies tax-exempt status.

Under Internal Revenue Code §§511–514, nonprofit organizations may engage in activities unrelated to their charitable mission, but income from those activities may be subject to the Unrelated Business Income Tax (UBIT).<sup>14</sup> An exempt organization must file a Form 990-T if \$1,000 or more of its gross income is derived from unrelated business.<sup>15</sup> This 990-T “Exempt Organization Business Income Tax Return” form must also be available for public inspection when requested.<sup>16</sup>

Pricing information suggests that even modest participation in these services could easily exceed the \$1,000 UBIT reporting threshold. According to the American Society of Plastic Surgeons, “the average cost of botulinum toxin injections is \$435.”<sup>17</sup> At a Planned Parenthood clinic in Sacramento,

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<sup>7</sup> *Mission*, Planned Parenthood, (last accessed Mar. 17, 2026) <https://www.plannedparenthood.org/about-us/who-we-are/mission>.

<sup>8</sup> Working Families Tax Cut Act, Pub. L. No. 119-21, § 71113, 139 Stat. 300-01 (2025).

<sup>9</sup> Calfas, *supra* note 1.

<sup>10</sup> *Id.*

<sup>11</sup> *Id.*

<sup>12</sup> 2 CFR § 200.403; 2 CFR § 200.405.

<sup>13</sup> Planned Parenthood, *supra* note 2.

<sup>14</sup> I.R.C §511.

<sup>15</sup> *Id.*

<sup>16</sup> *2025 Instructions for Form 990-T*, Internal Revenue Service, at 40 (Feb. 3, 2026), <https://www.irs.gov/pub/irs-pdf/i990t.pdf>.

<sup>17</sup> *How Much do Botulinum Toxin Injections Cost?*, American Society of Plastic Surgeons, <https://www.plasticsurgery.org/cosmetic-procedures/botulinum-toxin/cost>.

Botox reportedly costs about \$9 per unit, with most treatments requiring 10 to 40 units.<sup>18</sup> Further, if unrelated activities become substantial relative to an organization’s overall operations, its tax-exempt status may be threatened.<sup>19</sup>

To date, only Planned Parenthood Mar Monte Sacramento B. Street Health Center offers Botox, but both the Mar Monte clinic and the San Jose Central Health Center are offering “hangover-helper” IV hydration drips.<sup>20</sup> In just the last year alone, five of the 30 Mar Monte locations closed in Nevada and California, but the affiliate plans to expand services to other locations, including North Highlands, North Stockton, Redwood City, and Oakland, according to the Chief Medical officer.<sup>21</sup> Although this expansion is only reported of one affiliate thus far, the Mar Monte affiliate alone has more than 300,000 individuals visiting its locations every year, which, in addition to its 501(c)(3) status, justifies careful oversight.<sup>22</sup>

To that end, please respond to the following questions **by 5:00 PM on April 2, 2026:**

1. What guidance does the Internal Revenue Service provide regarding tax-exempt §501(c)(3) organizations such as Planned Parenthood and its affiliates offering elective cosmetic procedures including but not limited to neurotoxin injections and derma fillers, and how does the agency determine when such activities constitute unrelated business income?
2. Have any affiliates of Planned Parenthood reported revenue from aesthetic or cosmetic services as unrelated business income? Respectfully provide the publicly available 990-T “Exempt Organization Business Income Tax Return” forms if so.
3. Are federal agencies reviewing whether the expansion of aesthetics programs by certain tax-exempt providers complies with federal nonprofit and grant-funding requirements?
4. What safeguards exist to ensure that federal funds, reimbursements, or federally supported facilities are not used—directly or indirectly—to subsidize elective cosmetic services offered by these or other affiliates?
5. In February, Governor Gavin Newsom signed legislation providing \$90 million in one-time emergency funding for Planned Parenthood affiliates, in addition to approximately \$145 million the state has allocated to the organization since last fall.<sup>23</sup> Senate President Pro Tempore Monique Limón stated that the funding would ensure that communities “are not losing crucial resources.”<sup>24</sup> However, some Planned Parenthood affiliates have recently

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<sup>18</sup> Calfas, *supra* note 1.

<sup>19</sup> *Unrelated Bus. Income Tax*, Internal Revenue Service, (Jan. 30, 2026), <https://www.irs.gov/charities-non-profits/unrelated-business-income-tax>.

<sup>20</sup> Sharon Song, *Bay Area-based Planned Parenthood Affiliate is Now Offering Botox Treatments*, KTVU FOX 2 (Mar. 10, 2026, 3:40 PM), <https://www.ktvu.com/news/bay-area-based-planned-parenthood-affiliate-is-now-offering-botox-treatments>.

<sup>21</sup> Calfas, *supra* note 1; Song, *supra* note 22.

<sup>22</sup> Song, *supra* note 22.

<sup>23</sup> Press Release, Gavin Newsom, *Governor Newsom Signs Legis. Delivering \$90 Million in Emergency Funding for Planned Parenthood After Trump Defunds Org.* (Feb. 11, 2026), <https://www.gov.ca.gov/2026/02/11/governor-newsom-signs-legislation-delivering-90-million-in-emergency-funding-for-planned-parenthood-after-trump-defunds-organization/>.

<sup>24</sup> *Id.*

expanded into cosmetic services such as Botox injections and dermal fillers, raising questions about whether such offerings fall within the scope of the organization's "crucial resources". Given these developments at the state level, what steps are being taken to review the use of this additional state funding, examine the organization's continued tax-exempt status, and determine whether the expansion into cosmetic services is consistent with the organization's nonprofit purpose and regulatory obligations?

Thank you for your attention to this matter.

Sincerely,



Marsha Blackburn  
United States Senator

CC: Tax Division  
U.S. Department of Justice