Parking and Transportation Tax: Legal Update

Higher Education Taxation Institute
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Agenda

- Legislative Update
- Statutory Regime
- IRS Notice
- Open Questions

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Legislation

2019	2018
Preserve Charities and Houses of Worship Act, S. 1282 (2019)	Retirement, Savings, and Other Tax Relief Act of 2018, H.R. 88 (as passed by House, Dec. 20, 2018)
Stop the Tax Hike on Charities and Places of Worship Act, S. 501 (2019)	Nonprofits Support Act, H.R. 6037 (2018)
A Bill to amend the Internal Revenue Code of 1986 to repeal the inclusion of certain fringe benefit expenses for which a deduction is disallowed in unrelated business taxable income, H.R. 1545 (2019)	Lessen Impediments From Taxes (LIFT) for Charities Act, H.R. 6460 (2018)
Lessen Impediments From Taxes for Charities Act, S. 632 (2019)	Stop the Tax Hike on Charities and Places of Worship Act, H.R. 6504 (2018)
Stop the Tax Hike on Charities and Places of Worship Act, H.R. 1223 (2019)	Protect Charities and Houses of Worship Act, S. 3317 (2018)
Nonprofits Support Act, H.R. 513 (2019)	Lessen Impediments from Taxes (LIFT) for Charities Act, S. 3332 (2018)



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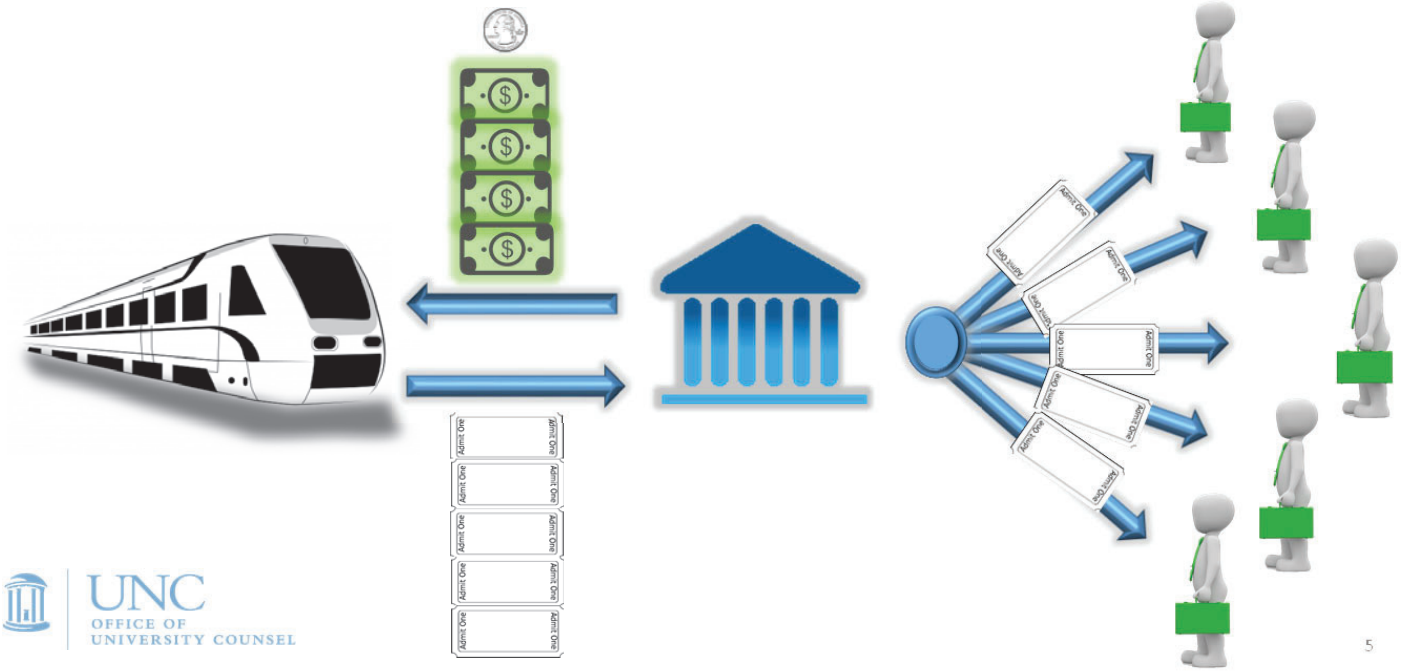
Statutory Regime

- Section 512(a)(7) requires tax-exempt organizations to increase their unrelated business taxable income (UBTI) by the amount for which a deduction would be disallowed under section 274 for providing employee parking or other qualified transportation fringe benefits (QTFs).



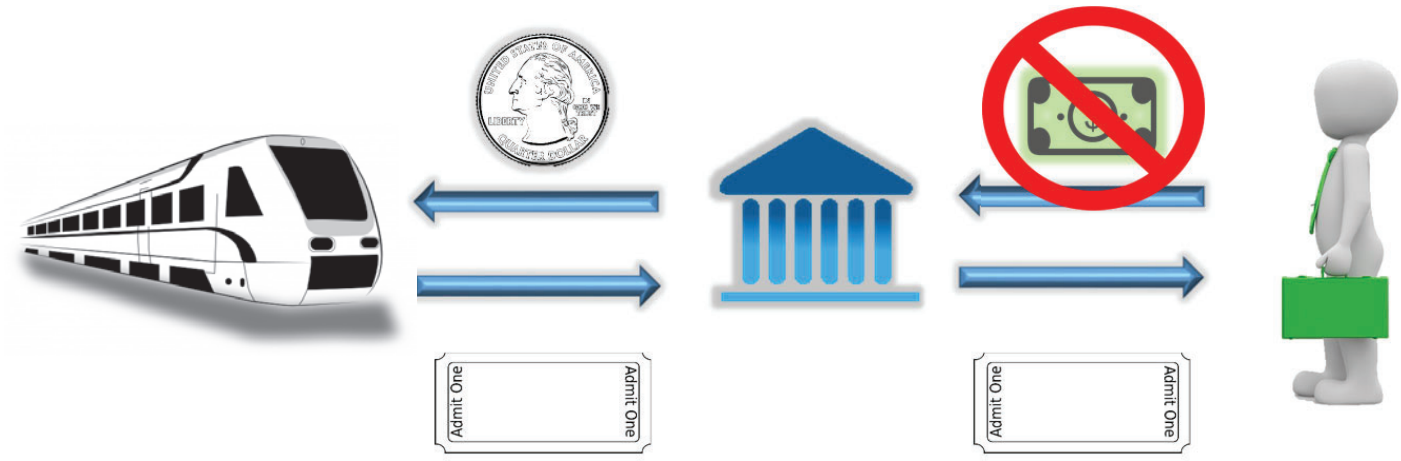
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UBTI increased by expenses



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Pre-tax “payments”



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