

A View of the Sector from the Trenches

IRS EO Division Realignment
Form 1023-EZ
2014 Form 990 -- Significant Changes



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IRS EO Realignment

- ▶ On March 20, 2014, the IRS TE/GE Exempt Organizations and Employee Plans divisions in Washington, DC (EO/DC and EP/DC) announced a major realignment, transferring responsibility to IRS Chief Counsel's exempt organization's office in Washington, DC (EO Counsel) for:
 - ▶ Review of certain applications for recognition of tax exemption
 - ▶ Guidance
 - ▶ PLRs
 - ▶ TAMs
 - ▶ Revenue rulings and procedures
 - ▶ Regulations
 - ▶ Notices and announcements

Transfer of guidance to EO Counsel

▶ Before Realignment

- ▶ EO-DC and EP-DC initiated formal EO guidance.
 - ▶ This included revenue rulings, PLR requests, notices, announcements.
 - ▶ EO-DC typically consulted with EO Counsel and with Treasury.
 - ▶ PLR requester may or may not have been aware of EO Counsel involvement, may or may not have had opportunity to meet with EO Counsel.
- ▶ Regulations projects are initiated by Treasury.
 - ▶ This includes proposed, temporary and final regulations.
 - ▶ EO-DC, EP-DC and EO Counsel informally consulted with Treasury.

▶ After Realignment

- ▶ Formal EO guidance is transferred to EO Counsel.
 - ▶ Some EO-DC and EP-DC tax law specialists are shifting to EO Counsel.

Transfer of guidance to EO Counsel

▶ Implications

- ▶ IRS issues very little formal guidance to exempt organizations
- ▶ EO-related guidance that IRS issues likely will be processed more expeditiously, because of fewer layers of review involved and tighter EO Counsel timelines
- ▶ EO Guidance group in EO-DC will cease to exist, as personnel are being moved to EO Counsel
- ▶ EO Technical group in EO-DC likely will continue to exist, but with significantly diminished responsibility

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