

**THE UNIVERSITY OF TEXAS SCHOOL OF LAW
THE CONFERENCE OF SOUTHWEST FOUNDATIONS**

32nd ANNUAL

NONPROFIT ORGANIZATIONS INSTITUTE

YEAR IN REVIEW

Treasury and IRS Regulations, Rulings, and Other Pronouncements,
Court Opinions, Proposed and Enacted Legislation,
and other Current Developments

January 16, 2015

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CURRENT DEVELOPMENTS IN TAX-EXEMPT ORGANIZATIONS LAW

This outline consists of ten parts: summaries of (1) the Internal Revenue Service's Exempt Organizations TE/GE Program Letter for FY 2015 (very brief summary); (2) the Treasury Department-IRS 2014-2015 Priority Guidance Plan; (3) the redesigned Form 990; (4) current developments in the law pertaining to tax-exempt organizations in general; (5) current developments in the federal law of particular pertinence to public charities and private foundations; (6) current developments pertaining to unrelated business activities of exempt organizations; (7) current developments relating to the tax law of charitable giving; (8) current developments relating to the law of fundraising; (9) recent legislation; and (10) miscellaneous other current developments in the law concerning nonprofit organizations.

I. IRS EXEMPT ORGANIZATIONS ANNUAL REPORT, WORKPLAN

- A. IRS's Exempt Organizations Division, on January 25, 2013, issued its fiscal year 2012 annual report and fiscal year 2013 workplan.**
- B. FY 2013 annual report and FY 2014 workplan was not issued.**
- C. TE/GE Program Letter for FY 2015 issued on November 4, 2014.**

II. TREASURY-IRS 2014-2015 PRIORITY GUIDANCE PLAN (AUGUST 26, 2014) PROJECTS

A. Tax-Exempt Organizations Law Projects

1. Regulations to allow IRS to adopt streamlined application process that eligible organizations may use to apply for recognition of tax-exempt status (by means of Form 1023-EZ) (IRC §§ 501(a), 501(c)(3), 508); final, temporary, and proposed regulations have been issued.

2. Development of revenue procedure setting for the procedures for issuance of determination letters as to exempt status (IRC § 501(c)(3)) for eligible organizations that filed Form 1023-EZ; revenue procedure has been published (Rev. Proc. 2014-40).

3. Proposed regulations (under IRC § 501(c)) pertaining to political campaign activities.

4. Guidance regarding methods of allocating expenses relating to dual-use facilities (IRC § 512(a)(1)).

5. Final regulations on additional requirements that tax-exempt hospitals must satisfy to remain exempt (IRC §§ 501(r), 6033); proposed regulations issued in 2012 and 2013; IRS hearing held on December 5, 2012.

6. Issuance of update to Rev. Proc. 2011-33 for EO Select Check.

7. Revenue procedures updating grantor and contributor reliance criteria (IRC §§ 170, 509).

8. Guidance relating to exempt organizations' reporting of contributions (IRC § 6033).

9. Final regulations concerning application for recognition as qualified nonprofit health insurance issuer (IRC § 501(c)(29)); temporary and proposed regulations were published in 2012.

10. Promulgation of additional guidance on supporting organizations (IRC § 509(a)(3)).

11. Final regulations on reliance standards for making good-faith determinations (IRC §§ 4942, 4945); proposed regulations have been published.

12. Regulations concerning program-related investments (IRC § 4944); proposed regulations were published in 2012.

13. Guidance regarding private foundation's investment in partnership in which disqualified persons are also partners (IRC § 4941).

14. Proposed regulations regarding excise taxes on donor-advised funds and fund management in reflection of 2006 statutory law (IRC § 4966).

15. Final regulations concerning church tax inquiries and examinations; proposed regulations were issued in 2009.

16. Regulations explaining computation of unrelated business taxable income of voluntary employees' beneficiary associations (IRC §§ 501(c)(9), 512); proposed regulations issued.

17. Final regulations concerning IRS authority to disclose exempt organization information to state officials (IRC § 6104(c)); proposed regulations were published in 2011.

18. Regulations concerning fractions rule (IRC § 514(c)(9)).

B. Charitable Giving Law Projects

1. Final regulations concerning the recordkeeping, substantiation, and appraisal requirements for cash and noncash charitable contributions in reflection of legislative enactments in 2004 and 2006; proposed regulations were published in 2008.

2. Publication of regulations regarding donee substantiation of charitable contributions (IRC § 170(f)(8)).

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First appeared as part of the conference materials for the
32nd Annual Nonprofit Organizations Institute session
"Year in Review"