



Tax Reform and Current Developments for Exempt Orgs.

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Agenda

- Charitable Giving
- Tax Reform Elements
- Changes to UBI
- Changes Not Made
- Other Important Developments

Tax-Exempt Organizations

■ As of April 2016

- 1,571,056 tax-exempt organizations registered with IRS
 - 1,097,689 **Section 501(c)(3) public charities**
 - 105,030 **Section 501(c)(3) private foundations**
 - 368,337 **other tax-exempt** organizations

Source: National Center for Charitable Statistics

An Act (fka The Tax Cuts and Jobs Act)

- Retains seven income tax brackets, lowering top to 37%
- Reduces corporate tax rate to 21%
- Caps deduction for state and local tax - \$10k
- Increases estate/gift exclusion to \$10M
- Increases generation-skipping tax exemption to \$10M
- Nearly doubles the standard deduction



Charitable Giving

- Increases standard deduction
 - \$12,000 individual/\$24,000 joint filers
 - \$18,000 head-of-household filers
- Amounts adjusted for inflation
- Retains charitable deduction as itemized
- Increases limitation for cash contributions to 60% AGI for public charities
- New regs. on substantiation (T.D.9836)



Charitable Giving

- Eliminates deduction for right to purchase tickets to athletic events
- Repeals “Pease” limitation on itemized deductions
- Doubles exclusion for estate taxes to \$10 million, indexed for inflation
- Repeals substantiation exception for contributions reported by organization

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