

TAX-EXEMPT ORGANIZATIONS
Professor Jill Manny
Spring 2026

MATERIALS

Purchase the casebook entitled "Cases and Materials on Nonprofit Organizations, Sixth Edition," by Fishman, Schwarz, and Mayer. **If you are comfortable accessing statutes, regulations, and forms online it is not necessary to purchase the Statutes, Regulations, and Forms volume that is sold with the casebook.** In light of the recent enactment of the One Big Beautiful Bill (OB3), it is particularly important to read the Student Update Memo with respect to each assignment. Click on this [link](#) to access the Student Update Memo.¹

ASSIGNMENTS (for the first month of the semester)

January 21 — Introduction

1. In the Casebook, read:

pp. 3 – 14, 17 – 19, 30 – 44, 287 – 295. Prepare a written outline of your answer to the Introductory Problem on p. 44 for your own reference during class discussion.

2. Review:

Code² § 501(a), (b), (c)(1) – (29). Focus on § 501(c)(3) – (7); Other sections may be skimmed.

§ 170(a), (b), (c)

§ 508(a), (b), (c)

§ 7217

Form 1023, Application for Exemption Under Section 501(c)(3) of the Internal Revenue Code (skim to determine what the IRS is interested in discovering).

<https://www.irs.gov/pub/irs-pdf/f1023.pdf>. Compare to “streamlined” Form 1023-EZ, p. 1050; <https://www.irs.gov/pub/irs-pdf/f1023ez.pdf>.

3. On the Web, briefly visit the following sites:

www.metmuseum.org

¹ Read all sections of the Student Update Memo that correspond to the pages assigned for each class.

² “Code” refers to the Internal Revenue Code. “Regulations” refers to the Treasury Regulations.

www.komen.org
www.fordfound.org
www.nra.org
www.aclu.org
www.pga.org

Note the similarities and differences between the purposes and activities of the different organizations. If you were to group these organizations based on similarities, how might you group them? We may return to these web sites throughout the semester when we focus on (1) organizational purposes; (2) fundraising and corporate sponsorship activities; (3) compensation of officers and directors; (4) commercial activities; (5) lobbying and political activities.

4. Read the five articles posted on NYU Brightspace:

Robert B. Reich, *Is Harvard a Charity?*, L.A. Times, Oct. 2007, at A 13.

Gabriela Aoun Angueira & Thalia Beaty, *Can the IRS revoke Harvard's tax-exempt status?*, AP News, Apr. 18, 2025, <https://apnews.com/article/harvard-nonprofit-tax-exempt-status-how-can-it-be-revoked-096614ea5ec65ec7a6ac08efd0f1e94f>.

Pierre Omidyar, *How I Did It: EBay's Founder on Innovating the Business Model of Social Change*, HARV. BUS. REV., Sept. 1, 2011, <https://hbr.org/2011/09/ebays-founder-on-innovating-the-business-model-of-social-change>.

Matthew Haag & Meredith Kolodner, *'The Untouchables': How Columbia and N.Y.U. Benefit From Huge Tax Breaks*, N.Y. Times (Sept. 26, 2023), <https://www.nytimes.com/2023/09/26/nyregion/columbia-university-property-tax-nyc.html>.

Ellen P. Aprill & Lloyd Hitoshi Mayer, *Tax Exemption Is Not a Subsidy — Except for When It Is*, 88 Exempt Org. Tax Rev. 245 (2021), <https://www.taxnotes.com/exempt-organization-tax-review/exemptions-and-deductions/tax-exemption-not-subsidy-except-when-it/2021/10/01/7830q>.

January 28 — Tax-Exempt Status; Charitable Requirement; Disaster Relief

1. In the Casebook, read:

pp. 359 – 364; 367 – 395. Prepare a written outline of your answers to Problems (a) and (b) on pp. 364 – 365 for your own reference during class discussion.

2. Review:

Code: § 501(c)(3) [again].

Regulations: §§ 1.501(c)(3)-1(a), (b), (c); 1.501(c)(3)-1(d)(1), (2).

3. On NYU Brightspace, read:

Letter from Secretary of Education to Harvard University, May 5, 2025, <https://www.harvard.edu/research-funding/wp-content/uploads/sites/16/2025/05/5.5.25-Harvard-Letter-from-EdSec-FINAL.pdf>.

Marie Sapirie, *Harvard Has a Precedent Problem in Fight to Keep Exempt Status*, 95 Exempt Org. Tax Rev. 298 (2025), <https://www.taxnotes.com/exempt-organization-tax-review/exempt-organizations/harvard-has-precedent-problem-fight-keep-exempt-status/2025/06/01/7s5wx>.

February 4 and February 11 — Private Inurement, Private Benefit, and Excess Benefit Transactions

1. In the Casebook, read:

pp. 449 – 480, 246 – 251 (through Note 1). Prepare a written outline of your answers to problems 1(a) – (e) and 2 on pp. 480 – 482 for your own reference during class discussion.

2. Review:

Code: §§ 4958, 4960.

Regulations: §§ 1.501(c)(3)-1(c)(2), -(1)(d)(3), -(1)(f); 53.4958-1 – 8.

3. Read the three items posted on NYU Brightspace:

Caitlin Mullaney, *Wyden Tees Up PGA-LIV Merger Investigation*, 92 Exempt Org. Tax Rev. 8 (2023), <https://www.taxnotes.com/exempt-organization-tax-review/exempt-organizations/wyden-tees-pga-liv-merger-investigation/2023/07/01/7gwbn>.

Pia Catton, *National Arts Club Cleans House*, Wall Street Journal, September 7, 2011.

Robin Pogrebin, *A Bonus From BAM Now Looks Less Wise*, N.Y. Times, Mar. 5, 2021, at C.1.

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February 18 and 25 — Educational Organizations and Religious Organizations

1. In the Casebook, read:

pp. 396 – 414; 415 – 432. Prepare a written outline of your answers to the Problems on p. 415 and Problems (a) and (c) on pp. 432 – 433 for your own reference during class discussion. (The first hour of class on February 18 will be devoted to finishing the material on Inurement, Excess Benefit, and Private Benefit.)

2. Read:

Code: § 4968.

Regulations: §§ 1.501(c)(3)-1(d)(3).

3. On NYU Brightspace read:

David J. Herzig and Samuel D. Brunson, Opinion: White Supremacist Groups Don't Deserve Tax Exemptions, N.Y. Times, August 29, 2017.

Phillip Levine, *Should College Endowments Be Taxed?*, Brookings Inst. (Sept. 3, 2024), <https://www.brookings.edu/articles/should-college-endowments-be-taxed/>. (OPTIONAL)

March 4 — Healthcare and Miscellaneous Organizations; Commercial Activities

Healthcare Organizations

1. In the Casebook, read:

pp. 317 – 339. Prepare a written outline of your answers to and to Problems (a) – (c) and (e) on pp. 339 – 340 for your own reference during class discussion.

2. On NYU Brightspace, read:

Jill R. Horwitz, *Threatening Nonprofit Hospital Tax Exemption: A Better Path Forward*, 331 JAMA 469 (2024), available at <https://jamanetwork.com/journals/jama/article-abstract/2814254>.

Miscellaneous Organizations

1. In the Casebook, read:

pp. 347 – 353 and 433 - 440. Prepare a written outline of your answers to the Problems on pp. 354 and Problems (a) and (c) on pp. 440 – 441 for your own reference during class discussion.

2. Read:

Code: § 501(j).

Regulations: §§ 1.501(c)(3)-1(d)(1), (2).

Commercial Activities

1. In the Casebook, read:

pp. 575 – 597. Prepare a written outline of your answers to Problems (a), (b), and (f) – (i) on pp. 597 – 598 your own reference during class discussion.

2. Read:

Code: § 502.

Regulations: §§ 1.501(c)(3) - 1(c)(1) and -1(e).

March 11 and 18— No Class

Make-up class will be scheduled for March 11 class.

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March 11 and 18— No Class

Make-up class for March 11 will be held on March 27.

March 25 and 27 (makeup class) — Limitations on Lobbying

The first hour of class will be devoted to continuing discussion of commercial activities from prior syllabus.

1. In the Casebook, read:

pp. 482 – 500. Prepare a written outline of your answers to all portions of the Problem on pp. 500 – 502 for your own reference during class discussion.
2. Read:

Code: §§ 501(c)(3), (4); 501(h); 504; 4911; 4912; 4955; 6033(b)(8).
3. On NYU Brightspace, read:

Jill S. Manny, *Nonprofit Legislative Speech: Aligning Policy, Law, and Reality*, 62 Case W. Res. L. Rev. 757 (2012). (OPTIONAL)

April 1– Limitations on Political Campaign Activities

1. In the Casebook, read:

pp. 502 – 542, 543 – 546. Prepare a written outline of your answers to all portions of the Problem on pp. 542 – 543 for your own reference during class discussion.
2. Read:

Code: §§ 501(c)(3), (4); 527; 4955.

April 8 – Private Foundations and their Alternatives

In the Casebook, read:

pp. 707 – 708, 711 (Foundations in Society) – 736 (through middle of the

page), 742 – 745, 747 – 758, 760 – 766. Prepare a written outline of your answers to problems 1(a) and (b) on pp. 745 – 746, and to the problem on pp. 758 – 759 **using all relevant tests** (§§ 170(b)(1)(A)(vi) and 509(a)(2)) for your own reference during class discussion

2. Read:

Code: §§ 507(d)(2); 509(a) – (e); 170(b)(1)(A)(i) - (vi); 4942(j); 4940; 4941; 4942(j); 4945; 4946.

3. Optional Viewing

Private Foundations General Counsel Panel: Tape will be posted to Brightspace on April 8, along with bios of the participants.

April 15 and 22—Unrelated Business Income Tax

1. In the Casebook, read:

pp. 598 – 635; pp. 637 – 643; pp. 652 – 658. Prepare a written outline of your answers to the problems on pp. 635 – 637 (excluding problems 1(a) and (d)), and to problem 1(a), (b), and (c) on pp. 643 – 644 for your own reference during class discussion.

2. Read:

Code: §§ 511(a), (b); 512(a), (b)(1)-(5), (7) - (9), (13), (15); 513(a), (c), (f), (h), (i).

Regulations: § 1.513-4.

3. On Brightspace read:

Ruth La Ferla, *The Artist's Fall Collection*, N.Y. TIMES, Nov. 8, 2007.

4. On the Web, visit www.metmuseum.org/store (or go to a Metropolitan Museum of Art shop or the shop of another cultural institution). Think about sales of which items might generate unrelated business income.