

Course Syllabus

Tax Exempt Organizations

Fall 2011

Professor Colombo

I. Materials

The course casebook is Fishman & Schwarz, *Taxation of Nonprofit Organizations* 3d ed., Foundation Press, 2010. You will also need a copy of the 2010 edition of Fishman & Schwartz, *Nonprofit Organizations Statutes, Regulations and Forms* (this book contains both the IRC and Regulations sections referenced in the casebook; if you have a 2006 or later **complete** edition of the Code and Regs, you can use that instead, but you **will need to read the Code and Regs for this class**). Note that the edited code volume that I (and Prof. Kaplan) use for basic income tax **does not** have the necessary regulations for this class (sorry).

II. Grades/Exam

Course grades will be based virtually completely on the final exam. Borderline cases with outstanding class participation will be given the benefit of the doubt.

The exam in this class will be a take-home. The take-home format will be as follows: I will e-mail all of you the exam at the beginning of the exam period in December, and you will need to e-mail your answer to my assistant, Susan Maxwell, by the end of the exam period. You will have the entire exam period to work on the exam, but there will be a word-count limitation. I will give you more details on this later in the semester. I will not reschedule the exam except in cases of medical or immediate family emergency. In the case of a medical emergency, I will need a note from your doctor confirming that you were medically unable to take the exam during the relevant exam period. Without such a note, I will not reschedule the exam and without taking the exam you will fail the course.

III. Assignments

Makeup Classes Scheduled for Tuesday, October 11 and Tuesday October 18, 12:00-1:15 in Room H. Class is cancelled on October 26 and 27.

Below is an outline of the material I hope to get through, in the order I will cover it. As is my current custom, I have not assigned particular days to the material; if you stay one assignment ahead of where we end a particular class, that will be sufficient (most of the assignments below will take more than one class session to complete). ***Please note that at the beginning of many of the assignments, the casebook lists Internal Revenue Code Sections and Regulations Sections; please read the assigned Code and Regulations along with the text (you really do need to read the regulations for this class; I will expect***

you to be familiar with the regulations assigned when we work through the class material). You should also do any problems in the text *unless this syllabus specifically omits them*. I will link answers to the problems to this syllabus after we cover them in class.

Topic	Assignment
I. Introduction and Overview	2-40; 49-54 (omit introductory problem).
II. Tax Exemption for Public Charities	
A. Rationales	56-76.
B. Basic Requirements; Educational Organizations	77-85; 160-177 (from now on, remember to also read the Code and Regs. sections referenced in the reading assignment in the text). In addition to the text materials, you should visit the following web sites and be prepared to discuss whether the organizations qualify as educational organizations: http://www.museumofsex.com/ http://www.abortionno.org/
C. Religious Organizations	177-192 (omit problems). In addition to the text materials, you should visit the following web sites and be prepared to discuss whether the organizations sponsoring the sites qualify as religious organizations and/or “churches”: http://uscobm.com/ http://www.subgenius.com/ http://www.aryannations88.com/index2.html (click on “About Us” and download the InfoPack) http://www.darkside-goddess.org/manifest.html
D. Hospitals/Health Care Organizations	85-106 and pages 625-629 of “The Role of Tax Exemption in a Competitive Health Care Market,” 31 Journal of Health Politics, Policy and Law (June 2006) (handout).
E. Public Interest Law Firms and Community Development Organizations	106-119.
III. Limitations on Exempt Status	
A. Public Policy Limitation	131-160.
B. Private Inurement, Private	207-240, and pages 1067-1088 of “In Search of

Benefit and Intermediate Sanctions	Private Benefit,” 58 Fla. L. Rev. 1063 (2006) (handout). Do parts (a) and (c) of the problem on page 240-241 and omit all other problems.
C. Limits on Lobbying	243-277 (you absolutely will have to struggle with the regs. cited on page 266 of the casebook to understand this stuff and do the problems on pp. 275-277).
D. Political Campaign Limits and the (c)(4) alternative	277-306.
E. Commercial Activity	336-360 and pages 667-678 of “Reforming Internal Revenue Code Provisions on Commercial Activity by Charities,” 76 Fordham L. Rev. 667 (2007) (handout).
F. UBIT	360-407.
IV. Private Foundations	472-532.
IV. Charitable Contributions	
A. Background and basic principles	594-645.
B. Regulation of Charitable Solicitation	No Casebook Assignment; I will hand out a copy of <i>Illinois v. Telemarketing Associates</i> for this class.
V. Noncharitable Exempt Nonprofits	No Casebook Assignment; please read all the subsections of Code Section 501(c) other than 501(c)(3).
VII. Some Practicalities: Formation and Filing	315-320; Form 1023 (in the back of your Code supplement books).