TAX-EXEMPT ORGANIZATIONS
Professor Jill Manny
Spring 2013

January 23, 2013 — Introduction

Purchase the casebook entitled "Cases and Materials on Taxation of Nonprofit Organizations, Third Edition" by James Fishman and Stephen Schwarz, along with "Nonprofit Organizations Statutes, Regulations, and Forms," at the N.Y.U. Bookstore. A casebook update will be made available on Blackboard.[1]

1. In the Casebook, read:

   pp. 34 – 40; 47 (beginning with: c. Forming a Nonprofit Organization) – 54; 56 – 85; 131 - 159. Prepare a written outline of your answer to the Introductory Problem on p. 54 for your own reference during class discussion.

2. In the Statutory Supplement, read:

   Code § 501(a), (b), (c)(1-25)
   § 170(a), (b), (c)
   § 508(a), (b), (c)
   Regs. § 1.501(a)-1
   § 1.501(c)(3)-1
   § 1.508-1(a)(1); -1(a)(2)(i); -1(a)(3)(i)

3. Read the three articles posted on Blackboard:

   Michael Cohn, Tax Court Says Sperm Donor's Foundation Does Not Qualify as a Charity, WebCPA DEBITS&CREDITS, July 22, 2010, http:///wwebcpa.com/debits_credits-55023-1.html.

   Stephanie Strom, *Big Gifts, Tax Breaks and a Debate on Charity*, N.Y. TIMES, Sept. 6, 2007, at A1.

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

[1] Read pages in Update Memo posted on Blackboard under "Course Documents" that correspond to the pages assigned in the casebook for each class.

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

www.metmuseum.org
www.komen.org
www.pewtrusts.org
www.fordfound.org
www.sierraclub.org
www.now.org
www.abanet.org
www.nfl.org

Note the 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 will 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.

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January 30 and February 6 and 13—Inurement, Private Benefit, and Excess Benefit Transactions

1. In the Casebook, read:

pp. 207 – 240. Prepare a written outline of your answers to Problems 1(a) – (f) and 2 on pp. 240 - 243 for your own reference during class discussion. We will begin our discussion in the second hour of class on January 25.

2. In the Statutory Supplement, read:

Code: § 4958
Regulations: §§ 1.501(c)(3)-1(c)(2); - (1)(f); 53.4958-1 – 8.

3. Read the article posted on Blackboard:

Cornelia Dean, *Wealthy Stake $25 Million in a War With the Sea,* N.Y. TIMES, July 8, 2007.

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

February 20—Educational and Religious Organizations

1. In the Casebook, read:

pp. 160 – 192. Prepare a written outline of your answers to the problems on pp. 176 – 177 and Problems (a), (c) and (d) on pp. 192 – 193 for your own reference during class discussion.

2. In the Statutory Supplement, read:

Regulations: § 1.501(c)(3)-1(d)(3).

February 27—Health Care Organizations and Miscellaneous Organizations

1. In the Casebook, read:

   pp. 85 – 105; 113 – 119; 124 – 129; 193 – 201. Prepare a written outline of your answers to the problems on pp. 105 – 106; the problems on p. 119; the problems on p. 129; and Problems (a) and (c) on p. 201 for your own reference during class discussion.

2. In the Statutory Supplement, read:

   Code: § 501(j).
   Regulations: §§ 1.501(c)(3)-1(d)(4), (5).

March 6— Commercial Activities

1. In the Casebook, read:

   pp. 336 – 359. Prepare a written outline of your answers to Problems (a), (b), and (e) – (i) on pp. 359 – 360 for your own reference during class discussion.

2. In the Statutory Supplement, read:

   Code: § 502
   Regulations: §§ 1.501(c)(3)-1(c)(1); -1(e); 1.502-1.

March 13— Limitations on Lobbying Activities

1. In the Casebook, read:

   pp. 243 – 274. Prepare a written outline of your answers to the Problems on pp. 275 – 277 for your own reference during class discussion.

2. In the Statutory Supplement, read:

   Code: §§ 501(c)(3), (4); 501(h); 504; 527; 4911; 4912; 6033(b)(8).
   Regulations: §§ 1.501(c)(3)-1(c)(1) and (3); 1.501(h)-1, -2, -3; 56.4911-1, -2, -3, -4, -5, -6, -7(a), (b).

March 20—Spring Break

March 21—Political Campaign Restrictions

1. In the Casebook, read:

   pp. 277 – 314. Prepare a written outline of your answers to the Problems on pp. 305 – 306 for your own reference during class discussion.

2. In the Statutory Supplement, read:

   Code: §§ 501(c)(3); 527; 4955.
   Regulations: §§ 1.501(c)(3)-1(c)(1)(iii); 53.4955-1.

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April 3 and April 10—Private Foundations and Alternatives

1. In the Casebook, read:

pp. 472 – 476; 481 – 488; 490 – 506; 508 – 518; 520 – 530; 532 – 533. Prepare a written outline of your answers to Problems 1(a), (b), and (f) on pp. 506 – 507 and the Problem on p. 519. *(We will begin our discussion of Private Foundations on Wednesday in the second hour, so please begin the reading prior to class).*

2. In the Statutory Supplement, read:

Code:	§§ 170(b)(1)(A), (f)(18); 4943(e)(1)-(3); 4946; 4958; 4966; 4967; 507(d)(2); 509; 170.
Regulations:	§§ 53.4946-1(a); 1.507-6(b)(1); 1.170A-9(a), (b), (c)(1), (d), (e)(1) - (9); 1.170A-9; 1.509(a)-3(a) – (e), - (4); 1.509(a)-3.

April 17 (first hour) – Private Foundation Excise Taxes

1. In the Casebook, read:

pp. 534 – 575 (ignoring all problems not assigned). Prepare a written outline of your answers to Problems 1(a) – (g) and 2 on pp. 549 – 550 and Problems (a) – (e), (g), and (i) on pp. 572 – 573.

2. In the Statutory Supplement, read:

Code:	§§ 4940 – 4946; 6033(c); 6104(d); 507.
Regulations:	§§ 53.4941(a)-1(a), (b), (c); 53.4941(d)-1(a), (b)(1), (2), (4)-(8); 53.4941(d)-2(a), (b)(1), (b)(2), (c), (d), (e), (f), (g); 53.4941(d)-3; 53.4945-1(a), (d), -3, -4, -5, -6.

April 17 (second hour) and 24 and May 1 — Unrelated Business Income Tax

1. In the Casebook, read:

pp. 360 – 365; 370 – 402; 404 – 409; 411 – 431; 432 – 458. Prepare a written outline of your answers to:

- the problems on pp. 402 – 404 (**excluding** problem 1(b) and (d))

- the problems on p. 410
- Problem 1 on 419
- the problem on p.p. 458-459

for your own reference during class discussion.

2. In the Statutory Supplement, read:

Code:	§§ 511(a), (b); 512(a), (b)(1)-(5), (7) - (9), (13), (15); 513(a), (c), (f), (h), (i); 514(a), (b), (c)(1) - (4), (7), (9)(A) - (D), (E).
Regulations:	§§ 1.512(a)-1(a), -1(b), -1(c), -1(d), -1(e), -1(f)(1); 1.512(b)-1(a)(1), -1(b), -1(c)(2) - (5), -1(d)(1), -1(l); 1.513-1, -4, -7; 1.514(b) – (1)(a), (b), (d).

3. On the Web, visit www.metmuseum.org/store/ (or visit the Metropolitan Museum of Art and / or the American Museum of Natural History and their gift shops). Think about which items sold at the shops might generate UBTI and which items further the exempt purposes of the museum.