APPENDIX B

Internal Revenue Code Sections

Following are the provisions of the Internal Revenue Code of 1986, as amended, which comprise the statutory framework for the law of tax-exempt organizations, coupled with references (by chapter or chapter section) to the book where the provision is discussed.

Sections 1(E), 11, 12(1) – income tax rates [§ 25.6]
Section 41—tax credit for increasing scientific research [§§ 9.2, 12.1(f)].
Section 74(b)—rule concerning prizes and awards transferred to charitable organizations [§ 12.4(a)].
Section 84—tax on appreciated property gifts to political organizations [§ 17.0].
Section 103—exclusion from gross income for interest on government obligations [§§ 7.15, 19.22].
Section 115—exclusion from gross income for revenues of political subdivisions and the like [§§ 7.15, 19.22].
Section 117—exclusion from gross income for scholarships [§§ 4.5, 7.10, 12.4(e)].
Section 162(e)—denial of business expense deduction for lobbying and political campaign expenditures; flow-through rule relating to associations’ dues; anti-cascading rule that operates to ensure that lobbying expense disallowance rule results in denial of deduction at only one level [§§ 22.6, 23.8].
Section 168(h)—tax-exempt entity leasing rules [§ 28.16].
Section 170(b)(1)(E)(ii)—pass-through foundation rules [§ 12.1(d)].
Section 170(b)(1)(E)(iii)—conduit foundation rules [§ 12.1(e)].
Section 170(b)(1)(F)—reference to certain private foundations [§ 12.1(b)].
Section 170(f)(10)—rules concerning split-dollar life insurance, annuity, and endowment contracts [§ 28.15(c)].
Section 170(f)(18)—rules concerning contributions to donor-advised funds [§ 11.8(b)].
Section 192—income tax deduction for contributions to black lung benefits trusts [§ 18.5].
Section 274(a)(3)—denial of business expense deduction for payment of club dues [§ 15.1].
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Section 277—treatment of deductions incurred by certain nonexempt membership organizations [§ 19.25].

Section 318—indirect control test for purposes of taxing revenue from controlled entities [§§ 29.7, 30.6].

Section 337(b)(2)—recognition of gain or loss for property distributed to tax-exempt parent in liquidation of subsidiary [§ 30.7].

Section 337(d)—recognition of gain or loss for property distributed to tax-exempt organization generally in liquidation [§§ 30.7, 32.7(c)].

Section 401(a)—general rules for pensions, profit-sharing, and like plans [§ 20.6(g)].

Section 401(k)(4)(B)(i)—maintenance of 401(k) plans by tax-exempt organizations [§ 20.6(g)].

Section 403(b)—treatment of annuity contracts provided by charitable organization to employees [§ 20.6(g)].

Section 419—welfare benefit fund rules [§§ 15.1(c), 18.2].

Section 457—deferred compensation plans of tax-exempt organizations [§ 20.6(g)].

Section 482—authority in IRS to reallocate income, expenses, and other tax items [§ 30.6(d)].

Section 501(a)—source of federal income tax exemption for nearly all exempt organizations [§ 3.1].

Section 501(b)—exception for tax on unrelated business income [§ 1.2].

Section 501(c)—list of most tax-exempt organizations [Chapters 7–11, 13–16, 18–19].

Section 501(c)(1)—tax exemption for instrumentalities of the United States [§ 19.1].

Section 501(c)(2)—tax exemption for single-parent title-holding companies [§ 19.2(a)].

Section 501(c)(3)—tax exemption for charitable, educational, religious, scientific, and similar organizations [Chapters 6–12].

Section 501(c)(4)—tax exemption for social welfare organizations and local associations of employees [Chapter 13, § 19.3].

Section 501(c)(5)—tax exemption for agricultural, horticultural, and labor organizations [Chapter 16].

Section 501(c)(6)—tax exemption for business leagues, including trade, business, and professional associations [Chapter 14].

Section 501(c)(7)—tax exemption for social clubs [Chapter 15].

Section 501(c)(8)—tax exemption for fraternal beneficiary societies [§ 19.4(a)].

Section 501(c)(9)—tax exemption for voluntary employees’ beneficiary societies [§ 18.3].
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Section 501(c)(10)—tax exemption for domestic fraternal societies [§ 19.4(b)].
Section 501(c)(11)—tax exemption for teachers’ retirement fund associations [§ 18.7].
Section 501(c)(12)—tax exemption for benevolent or mutual organizations [§ 19.5].
Section 501(c)(13)—tax exemption for cemetery companies [§ 19.6].
Section 501(c)(14)—tax exemption for credit unions and mutual reserve funds [§§ 1.2, 19.7, 19.8].
Section 501(c)(15)—tax exemption for certain insurance companies or associations [§ 19.9].
Section 501(c)(16)—tax exemption for crop operations finance corporations [§ 19.10].
Section 501(c)(17)—tax exemption for supplemental unemployment benefit trusts [§ 18.4].
Section 501(c)(18)—tax exemption for retirement and pension plan trusts [§ 18.6].
Section 501(c)(19)—tax exemption for veterans’ organizations [§ 19.11].
Section 501(c)(21)—tax exemption for black lung benefits trusts [§ 18.5].
Section 501(c)(22)—tax exemption for multiemployer benefit trusts [§ 18.7].
Section 501(c)(23)—tax exemption for certain veterans’ organizations [§§ 1.2, 19.11(b)].
Section 501(c)(24)—tax exemption for certain employee benefit trusts [§ 18.7].
Section 501(c)(25)—tax exemption for multiple-parent title-holding companies [§ 19.2(b)].
Section 501(c)(26)—tax exemption for high-risk individuals’ health care coverage organizations [§ 19.15].
Section 501(c)(27)—tax exemption for workers’ compensation reinsurance organizations [§§ 1.2, 19.16].
Section 501(c)(28)—tax exemption for the National Railroad Retirement Investment Trust [§ 19.17].
Section 501(c)(29)—tax exemption for qualified health insurance issuers [§ 19.18].
Section 501(d)—religious and apostolic organizations [§ 10.8].
Section 501(e)—cooperative hospital service organizations [§§ 7.13, 11.4].
Section 501(f)—cooperative service organizations of educational organizations [§§ 7.13, 11.5].
Section 501(g)—definition of agricultural [§ 16.2].
Section 501(h)—election of expenditure test as to lobbying [§ 22.3(d)(v)].
Section 501(i)—prohibition on discrimination by social clubs [§ 4.9(b)].
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Section 501(j)—amateur sports organizations [§ 11.2].
Section 501(k)—organizations providing child care [§ 8.8].
Section 501(l)—government corporations exempt as U.S. instrumentalities [§ 19.1].
Section 501(m)—rules concerning issuance of commercial-type insurance [§§ 1.2, 24.8, 28.14(b)].
Section 501(n)—charitable risk pools [§§ 1.2, 11.6].
Section 501(o)—treatment of hospitals participating in provider-sponsored organizations [§ 7.2(a)].
Section 501(p)—suspension of tax-exempt status of terrorist organizations [§ 26.12].
Section 501(q)—additional rules for exempt credit counseling organizations [§ 7.3(b)].
Section 501(r)—additional rules for exempt hospitals [§ 7.6(b)].
Section 502—feeder organizations [§ 28.15].
Section 504—status of organization that loses exemption because of lobbying or political campaign activities [§§ 13.3, 22.3(d), 23.3].
Section 505—requirements for certain employee benefit organizations [§ 18.2].
Section 507—termination of private foundation status [§ 12.4].
Section 508(a)—requirement for filing of application of recognition by charitable organizations [§ 26.2].
Section 508(b)—presumption that charitable organizations are private foundations [§ 26.3(a)].
Section 508(c)—exceptions from application filing rule [§ 26.2(b)].
Section 508(d)—disallowance of certain charitable deductions [Chapter 12].
Section 508(e)—rules as to governing instruments of private foundations [§ 12.1(g)].
Section 509(a)—definition of private foundation [§ 12.1(a)].
Section 509(a)(1)—institutions as public charities; donative publicly supported charities [§§ 12.3(a), (b)(i)-(iii)].
Section 509(a)(2)—service provider publicly supported charities [§ 12.3(b)(iv)].
Section 509(a)(3)—supporting organizations [§ 12.3(c)].
Section 509(a)(4)—testing for public safety organizations [§ 12.3(d)].
Section 509(b)—continuation of private foundation status [Chapter 12].
Section 509(c)—status of organization after termination of private foundation status [Chapter 12].
Section 509(d)—definition of support [§ 12.3(b)].
Section 509(e)—definition of gross investment income [§ 12.3(b)(iv)].
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Section 509(f)—additional requirements for supporting organizations [§ 12.3(c)].

Section 511—tax on unrelated business income [§§ 24.1, 26.6].

Section 512(a)—definition of unrelated business taxable income [§§ 24.1, 25.4, 25.5, 25.7].

Section 512(a)(6) – “bucketing” rule [§25.5]

Section 512(a)(7) – fringe benefit rules [§ 25.4]

Section 512(b)—modification rules [§ 25.1].

Section 512(c)—special rules for partnerships in unrelated business context [§ 24.7].

Section 512(d)—treatment of dues of agricultural or horticultural organizations [§ 25.2(l)].

Section 512(e)—special rules applicable to income from and gain from sale of S corporations [§ 25.2(m)].

Section 513(a)—definition of unrelated trade or business [§ 24.2].

Section 513(b)—special rule for trusts [§ 25.3].

Section 513(c)—definition of trade or business; rules concerning advertising revenue [§§ 24.2(a), 24.5(h)].

Section 513(d)—rules concerning trade shows and entertainment activities [§ 25.2(f)].

Section 513(e)—rules concerning certain hospital services [§ 25.2(g)].

Section 513(f)—rules concerning bingo games [§ 25.2(h)].

Section 513(g)—rules concerning rentals of utility poles [§ 25.2(i)].

Section 513(h)—rules concerning rentals of lists and distributions of low-cost articles [§§ 25.2(j), (k)].

Section 513(i)—corporate sponsorship rules [§ 24.6].

Section 513(j)—rules concerning debt management plan services [§§ 7.3(e), 24.5(p)].

Section 514—unrelated debt-financed income rules [§ 24.9].

Section 521—tax exemption for farmers’ cooperatives [§ 19.12].

Section 526—tax exemption for ship owners’ protection and indemnity associations [§ 19.13].

Section 527—tax exemption for political organizations [Chapter 17].

Section 527(f)—tax on political expenditures [§§ 17.5, 17.6].

Section 528—tax exemption for homeowners’ associations [§ 19.14].

Section 529—tax exemption for qualified tuition programs [§ 19.19].

Section 529A—tax exemption for qualified ABLE programs [§ 19.20]

Section 642(c)(5)—pooled income funds [§§ 2.3, 12.4(f)].
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Section 664—charitable remainder trusts [§§ 2.3, 12.4(f)].
Section 1361(a)(1)—definition of S corporation [§§ 25.2(m), 30.1(b)].
Section 1361(a)(2)—definition of C corporation [§ 30.1(b)].
Section 1361(c)(6)—charitable organizations allowed to own stock in S corporations [§ 25.2(m)].
Section 2055(e)(5)—contributions to donor-advised funds [§ 11.8(b)].
Section 2501(a)(4)—gift tax exception for transfers to political organizations [§§ 3.4, 17.1].
Section 2522(c)(5)—contributions to donor-advised funds [§ 11.8(b)].
Section 4911—tax on excess expenditures to influence legislation [§§ 22.2, 22.3].
Section 4912—tax on disqualifying lobbying expenditures of certain organizations [§ 22.4].
Section 4940—excise tax on investment income of private foundations [§ 12.4(f)].
Section 4940(d)(1)—exempt operating foundations [§ 12.1(c)].
Section 4941—private foundation self-dealing rules [§ 12.4(a)].
Section 4942—private foundation mandatory distribution rules [§ 12.4(b)].
Section 4942(j)(3)—private operating foundations [§ 12.1(b)].
Section 4943—private foundation excess business holdings rules [§ 12.4(c)].
Section 4943(f)(5)(A)—definition of Type III supporting organization [§ 12.3(c)].
Section 4943(f)(5)(B)—definition of functionally integrated Type III supporting organization [§ 12.3(c)].
Section 4944—private foundation jeopardizing investments rules [§ 12.4(d)].
Section 4945—private foundation taxable expenditures rules [§ 12.4(e)].
Section 4946—definition of disqualified person for purposes of private foundation rules [§ 12.2].
Section 4947—rules applicable to certain nonexempt trusts [§§ 12.4(f), 28.4].
Section 4948—rules concerning certain foreign organizations [§ 12.4(f)].
Section 4951—taxes on self-dealing with black lung benefits trusts [§ 18.5].
Section 4952—taxes on taxable expenditures by black lung benefits trusts [§ 18.5].
Section 4953—taxes on excess contributions to black lung benefits trusts [§ 18.5].
Section 4955—taxes on political campaign expenditures [§ 23.3].
Section 4958—intermediate sanctions rules concerning public charities, social welfare organizations, and health insurance issuers [Chapter 21].
Section 4958(a)(1)—initial intermediate sanctions tax on disqualified persons [§ 21.10].
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Section 4958(a)(2)—initial tax on management [§ 21.10].
Section 4958(b)—additional tax on disqualified person [§ 21.10].
Section 4958(c)(1)—definition of excess benefit transaction [§ 21.4].
Section 4958(c)(2)—special rules for donor-advised funds [§ 21.4(e)].
Section 4958(c)(3)—special rules for supporting organizations [§12.4(d)].
Section 4958(c)(4)—authority to include certain other private inurement [§ 21.4].
Section 4958(d)—joint and several liability; limit on taxes [§ 21.10].
Section 4958(e)—definition of applicable tax-exempt organization [§ 21.2].
Section 4958(f)(1)—definition of disqualified person for intermediate sanctions purposes [§ 21.3].
Section 4958(f)(2)—definition of organization manager [§ 21.3].
Section 4958(f)(3)—definition of 35-percent-controlled entity [§ 21.3].
Section 4958(f)(4)—rule as to family members [§ 21.3].
Section 4958(f)(5)—definition of taxable period [§ 21.10].
Section 4958(f)(6)—definition of correction for intermediate sanctions purposes [§ 21.11].
Section 4958(f)(7)—rules as to donors and donor advisors [§ 21.3].
Section 4960 – tax on excess executive compensation [§ 20.5]
Section 4961—abatement of private foundation second-tier taxes where there is correction [§ 12.4].
Section 4962—abatement of public charity and private foundation first-tier taxes in certain cases [§ 12.4].
Section 4963(a)—definition of first-tier tax [§ 12.4].
Section 4963(b)—definition of second-tier tax [§ 12.4].
Section 4963(c)—definition of taxable event [§ 12.4].
Section 4963(d)—definition of correct [§ 12.4].
Section 4963(e)—definition of correction period [§ 12.4].
Section 4965(a)(1)—excise tax on tax-exempt entities for involvement in tax shelters [§ 28.17].
Section 4965(a)(2)—tax shelter excise tax on entity manager [§ 28.17].
Section 4965(b)—amount of tax shelter excise tax [§ 28.17].
Section 4965(c)—definition of tax-exempt entity for purposes of tax shelter rules [§ 28.17].
Section 4965(d)—definition of entity manager [§ 28.17].
Section 4965(e)(1)—definition of prohibited tax shelter transaction [§ 28.17].
Section 4965(e)(2)—definition of subsequently listed transaction [§ 28.17].
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Section 4966(a)(1)—tax on sponsoring organization in connection with donor-advised fund rules [§ 11.8(b)].
Section 4966(a)(2)—tax on fund management [§ 11.8(b)].
Section 4966(b)—joint and several liability; limits on taxes [§ 11.8(b)].
Section 4966(c)—definition of taxable distribution [§ 11.8(b)].
Section 4966(d)(1)—definition of sponsoring organization [§ 11.8(b)].
Section 4966(d)(2)—definition of donor-advised fund [§ 11.8(b)].
Section 4966(d)(3)—definition of fund manager [§ 11.8(b)].
Section 4966(d)(4)(A)—definition of disqualified supporting organization [§§ 11.8(b), 12.3(c)].
Section 4966(d)(4)(B)—definition of Type I and Type II supporting organizations [§§ 11.8(b), 12.3(c)].
Section 4966(d)(4)(C)—functionally integrated Type III supporting organization [§§ 11.8(b), 12.3(c)].
Section 4967(a)(1)—taxes on donor, donor advisor, or related person [§ 11.8(b)].
Section 4967(a)(2)—taxes on donor-advised fund management [§ 11.8(b)].
Section 4967(b)—no donor-advised fund tax if intermediate sanctions tax imposed [§§ 11.8(b)].
Section 4967(c)—joint and several liability rules; limit on tax [§ 11.8(b)].
Section 4968—college and university endowment tax [§ 11.9(b)]
Section 4976—taxes with respect to funded welfare benefit plans [§§ 18.4, 18.6].
Section 6001—record-keeping requirements [§ 28.18].
Section 6011—requirement of return for payment of certain excise taxes, including those imposed for excess benefit transactions [§§ 12.4, 21.14, 22.4, 23.3].
Section 6012—requirement of income tax returns [§ 28.9].
Section 6031—requirement of partnership tax returns [§ 31.6].
Section 6033(a)—annual information returns by tax-exempt organizations in general [§ 28.2].
Section 6033(b)—special filing requirements for charitable organizations [§ 28.2].
Section 6033(b)(15)(A)—additional filing requirements for exempt hospitals [§ 28.2(a)(i)].
Section 6033(b)(15)(B)—additional filing requirements for exempt health insurance issuers [§ 28.2(a)(ii)].
Section 6033(c)—special filing requirements for private foundations [§ 28.2(a)(iii)].
Section 6033(d)—rules applicable to nonexempt charitable trusts and nonexempt private foundations [§ 28.2].
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Section 6033(e)—special rules relating to lobbying activities [§ 28.2(a)(i)].
Section 6033(e)(1)(A)—dues nondeductibility disclosure rule for associations; imposition of proxy tax [§ 22.6].
Section 6033(f)—filing requirements for social welfare organizations [§§ 28.2, 28.3].
Section 6033(g)—filing requirements for political organizations [§ 28.3].
Section 6033(h)—filing requirements for controlling organizations [§§ 28.2, 30.7(d)].
Section 6033(i)—notification requirement for small organizations [§ 28.3].
Section 6033(j)—loss of tax-exempt status for failure to file returns or notice [§ 28.5].
Section 6033(k)—filing requirement for sponsoring organizations [§§ 11.8(b), 28.2, 28.3].
Section 6033(l)—filing requirement for supporting organizations [§§ 12.3(c), 28.2, 28.3].
Section 6034—returns required of certain trusts, including split-interest trusts [§ 12.4(f)].
Section 6043(b)—return required of certain tax-exempt organizations that liquidate, dissolve, terminate, or substantially contract [§§ 4.3(b), 30.7].
Section 6071—authority in IRS to prescribe time for filing a return, where filing date not set by statute [§§ 12.4, 21.14, 22.4, 23.3].
Section 6072(e)—time for filing returns [§ 28.2(a)(iv)].
Section 6104(a)—inspection of applications for recognition of exemption and notice of status [§ 28.11].
Section 6104(b)—inspection of annual information returns [§ 28.11].
Section 6104(c)—publication of information to state officials [§ 27.9].
Section 6104(d)—public inspection of certain annual returns, applications, and notices [§ 28.11].
Section 6110—rules concerning public inspection of written determinations [§ 28.11].
Section 6113—disclosure that certain contributions are nondeductible [§ 28.13].
Section 6501(l)—limitations on assessments or collections [§ 28.2(a)(vi)].
Section 6651(a)(1)—addition to tax for failure to file unrelated business income tax return [§ 28.2(a)(vi)].
Section 6652(c)(1)(A), (B)—penalties for failure to file annual information return [§ 28.2(a)(vi)].
Section 6652(c)(1)(C)—penalties for failure to make annual information return public [§ 28.11(a)(ii)].
Section 6652(c)(1)(D)—penalties for failure to make application for recognition of exemption public [§ 28.11(a)(ii)].
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Section 6652(d)(1)—rules concerning failure to file a return [§ 28.2(a)].
Section 6655(g)(3)—penalties for failure to pay estimated unrelated business income tax [§ 25.6].
Section 6684—penalties with respect to liability for Chapter 42 taxes [§ 12.4].
Section 6700—penalty for promotion of abusive tax shelters [§ 28.17].
Section 6701—penalty for aiding and abetting an understatement of tax liability [§ 28.17].
Section 6702—penalty for frivolous tax returns [§ 10.2(c)].
Section 6703—rules applicable to penalties under §§ 6700, 6701, 6702 [§ 28.17].
Section 6707A(c)(1), (2)—definition of reportable transaction [§ 28.17].
Section 6710—penalties for failure to disclose that certain contributions are nondeductible [§ 28.13].
Section 6711—penalties for failure to disclose that certain information or services are available from government [§ 28.12].
Section 6852—termination assessments for flagrant political campaign expenditures by public charities [§ 23.4].
Section 7409—action to enjoin flagrant political campaign expenditures by public charities [§ 23.3].
Section 7421(a)—prohibition of restraint on assessment or collection of taxes [§ 27.5(a)].
Section 7428—declaratory judgment rules for certain tax-exempt organizations [§ 27.5(b)].
Section 7454(b)—burden-of-proof rule in foundation manager cases [Chapter 12].
Section 7528—IRS user fee program [§ 26.1(d)].
Section 7602(a)—authority for IRS to engage in audits [§ 27.6(a)].
Section 7611—church audit rules [§ 27.6(c)].
Section 7701(a)(2)—definition of partnership [§§ 31.1(a), 32.1].
Section 7701(a)(3)—definition of corporation [§§ 4.1, 30.1, 32.1(a)].
Section 7701(c)—clarification of rules for conventions and associations of churches [§ 10.4].
Section 7805(b)—discretion in IRS to grant relief from retroactive revocation [§ 27.3].
Section 7871—rules as to Native American tribal governments [§ 19.23].