

Property Tax Exemption For Charities Mapping The Battlefield

A recent Supreme Court decision confirmed the churches' right to tax exemption for religious property. In this highly relevant book, Alfred Balk places this question in social perspective and demonstrates how tax exemption and immunity affect the fiscal load of local communities and the well-being of our whole society. Among the "free list" or tax-free properties which the author examines are churches, hospitals, schools, and government buildings. Seven specific proposals for reform are set forth.

Many cities have their property tax bases eroded by the high percentage of exempt non-profit entities. Some of these entities are justified in their tax-exempt status, but many are not. This chapter in Property Tax Exemptions for Charities: Mapping the Battlefield, applauds efforts to reform the property tax exemption for non-profits in cities. The chapter proposes a narrow definition of "non-profit" in order to increase the amount of taxable property in cities, eliminating low-income cities subsidizing higher-income suburbs. The chapter proposes seven politically realistic proposals for reforming the property tax exemption for "non-profits" within the existing legal structure, as opposed to the politically unpalatable, and perhaps unconstitutional elimination of the property tax exemption in favor of explicit cash subsidies.

"This report is the work of the Governor's Nonprofit Project. Our goal is to make Iowa a nonprofit friendly state. Our partnership, consisting of the Lamed A. Waterman Iowa Nonprofit Resource Center, the Iowa Nonprofit Collaborative, and various state agencies, will work to find effective and efficient collaborative efforts between state agencies and private nonprofits to address Iowa's community needs. The Property Tax Exemption Committee of the Governor's Nonprofit Project convened in the summer of 2012. Our goal was to preserve the tax exempt status for nonprofits owning real property in Iowa in the education, medical and religious categories. Property Tax Exemption Committee members are: Tami Gilmore, Four Oaks; Bill Nutty, Leading Age Iowa; Maureen Keehnle, Iowa Hospital Association; Richard Koontz, Iowa Nonprofit Resource Center; Liz Weinstein, Elizabeth Weinstein & Associates, Inc. The Property Tax Exemption Committee of the Governor's Nonprofit Project wishes to thank Governor Branstad for his support of this study. Additionally, we wish to thank Jeffrey Boeyink, Chief of Staff, and his staff for their efforts. This survey report was authored by Richard Koontz, Director of the Larned A. Waterman Iowa Nonprofit Resource Center, a program at the University of Iowa College of Law."--page 1.

Property-tax Exemption for Charities

Tax Exemption of Church Property

Who Benefits from the Nonprofit Sector?

Tax-Exempt Sector

Nonprofits & Government

An Economic Analysis

This report provides a detailed review of the tax treatment of philanthropic entities and philanthropic giving in 40 OECD member and participating countries. The report first examines the various arguments for and against the provision of preferential tax treatment for philanthropy. It then reviews the tax treatment of philanthropic entities and giving in the 40 participating countries, in both a domestic and cross-border context. Drawing on this analysis, the report then highlights a range of potential tax policy options for countries to consider.

Form a California nonprofit corporation Tens of thousands of arts groups, educators, social service agencies, environmental groups, and others have used this bestselling book to form their California nonprofit. Your group can too. Use this book to form your California nonprofit corporation and obtain your federal and state tax exemptions. We provide step-by-step instructions for both the longer IRS Form 1023 and the streamlined IRS Form 1023-EZ application. This edition covers the new required online filing for the Form 1023. How to Form a Nonprofit Corporation in California shows you how to: choose a legal name prepare articles of incorporation create your bylaws obtain federal and state tax-exempt status prepare minutes for your organizational meeting establish a corporate records book, and handle postincorporation filings and tasks. With downloadable forms: Forms to help you form your nonprofit are included both in the book and online (details inside).

The tradition of tax-exempt status for nonprofit "charitable" organizations is well established, and few would argue with the principle. But the tax-exempt sector of the economy is vast and rapidly growing, resulting in the loss of billions of dollars of tax revenue. At the same time, we have no consensus on what purpose the charitable tax exemption serves, let alone agreement on what constitutes a charity. In this important addition to the theory of tax law, Colombo and Hall develop an original "donative" theory that links the charitable tax exemption to the ability of an organization to derive donative support from the community. Their theory not only makes intuitive sense but also receives support from economic, political, and moral theory. Its implications would rationalize the charitable tax exemption, comport with legal precedent, and simplify the administration of the law. The Charitable Tax Exemption is a major contribution to the theory of tax law and should be essential reading for a wide range of lawyers dealing with taxes. It will also be enlightening for anyone involved in the operation of a nonprofit organization

Charitable Exemption from Taxation in New York State on Real and Personal Property "an Important Public Policy"

A Report from the Governor's Nonprofit Project

Ten Basic Responsibilities of Nonprofit Boards

Conceptualizing the Charity Tax Exemption

Not-for-profit Incorporator's Handbook

Overcharged

This book is intended for several audiences: 1. Front line advisors: financial, tax and legal advisors who have clients whose assets go well beyond cash and public securities. 2. Nonprofit gift planners: fundraisers in major gifts, planned gifts, and principal gifts whose donors wish to give assets other than cash. 3. Technical experts: Lawyers, accountants, and back office staff at charities and financial institutions charged with determining how an asset may be used for a philanthropic purpose, or determining whether that asset should be accepted as a gift.

This accessible study examines all the major elements of the nonprofit sector of the economy of the United States—health services, educational and research institutions, religious organizations, social services, arts and cultural organizations, and foundations—describing the institutions and their functions, and then exploring how their benefits are distributed across various economic classes. The book's findings indicate that while few institutions serve primarily the poor, there is no evidence of a gross distribution of benefits upward toward the more affluent. The analysis of this data makes for a book with profound implications for future social and tax policy.

Designed to help nonprofit board members and senior staff, "The six books address all of the fundamental elements of service common to most boards, including board member responsibilities, how to structure the board in the most efficient manner, and how to accomplish governance work in the spirit of the mission of the organization."--Pg. 2 of Book 1.

Charitable Organizations' Property Tax Exemption

Property Without Taxes

Mapping the Battlefield

The Exemption from Taxation of Privately Owned Real Property Used for Religious, Charitable and Educational Purposes in New York State

The 21st Century Fight Over Who Sets the Terms of the Charity Property Tax Exemption

Implications of the Charities' Winning Briefs in Camps Newfound/Owatonna, Inc

Why is America's health care system so expensive? Why do hospitalized patients receive bills laden with inflated charges that com out of the blue from out-of-network providers or demands for services that weren't delivered? Why do we pay \$600 for EpiPens that contain a dollar's worth of medicine? Why is more than \$1 trillion - one out of every three dollars that passes through the system - lost to fraud, wasted on services that don't help patients, or otherwise misspent? Overcharged answers these questions. It shows that America's health care system, which replaces consumer choice with government control and third-party payment, is effectively designed to make health care as expensive as possible. Prices will fall, quality will improve, and medicine will become more patient-friendly only when consumers take charge and exert pressure from below. For this to happen, consumers must control the money. As Overcharged explains, when health care providers are subjected to the same competitive forces that shape other industries, they will either deliver better services more cheaply or risk being replaced by someone who will.

Property-tax Exemption for CharitiesMapping the BattlefieldThe Urban Institute

This piece explores the broad financial relationship between the public and the charitable sectors. Tax exemption operates as a peculiar subsidy - offering the greatest benefits to charities carrying on the most profitable activities and owning the most valuable property. Perhaps, then, the property tax and income tax exemption of charities can be explained by a 'sovereign' view of the charitable sector. Resembling the federal tax treatment of state and local governments, exemption for charities respects the independence of the nonprofit sector, and minimizes the involvement of charities in the political process. Unfortunately, the long history of Anglo American philanthropy also contains a great deal of mistrust by the state of the economic power of charities, and a sovereign view of charity can explain as well some of the peculiar rules that reduce, rather than enhance, the value of tax exemption.

The Collision Between Non-Profits and the Cities Over the Property Tax

The Charitable Tax Exemption

Taxation and Philanthropy

Altruism, Morality, and Economic Theory

Historical Anomaly Or Valid Constitutional Practice?

For this policy focus report, authors Daphne A. Kenyon and Adam H. Langley have researched the continuing policy debate over property tax exemptions among municipalities and nonprofit organizations, and they offer the following recommendations.

The past several decades have seen unprecedented growth in the scope and complexity of relationships between government and nonprofit organizations. These relationships have been more fruitful than many critics had feared and more problematic than many advocates had hoped. Nonprofits and Government is the first comprehensive, multidisciplinary exploration of nonprofit-government relations. The second edition of this important book is fully updated and includes two new chapters. The authors address a host of important issues, including nonprofit advocacy, direct regulatory and tax policy, the conversion of nonprofits to for-profits, clashes in government interaction with religion and the arts, and international nonprofit-government relationships. Practitioners, researchers, and policymakers alike will benefit from the authors' wide-ranging discussion.

Turning from the substantive issue of defining charity, this article considers the "who" question by examining the roles of the courts, legislatures, municipalities, and charities in determining exemption and payments in lieu of taxes. The three covered topics - constitutional power, statutory interpretation, and the "intermediate sanctions" of user fees and PILOTs - braid together to form the procedural framework for the financial relationship between nonprofit property owners and the taxing jurisdictions that host them. Change the parameters of one, and you change the others. Staying off the rolls or minimizing the tax bite often results from compromise - whether at the state constitutional level; in state statutes; as a matter of assessment; or through negotiation with local governmental bodies. But such an application of a multi-level framework for mischief leads to legal incoherence. The article begins with the knockdown, drag-out separation-of-powers fight that has arisen in Illinois and Pennsylvania: Which branch, the judicial or legislative, defines "charities" granted exemption by the state constitution?Next up is the more mundane world of statutory interpretation, where even here courts second-guess the legislature. A June 2015 decision by the New Jersey tax court exemplifies what could be view as "passive-aggressive separation of powers," when the court basically says, "Surely the legislature could not have meant this entity (or this use of property) to qualify as charity." This latest decision not only seems to render all "sophisticated centers of medical care" in New Jersey taxable, but also is causing sleepless nights for Princeton University: The same judge is hearing a challenge to the university's exemption brought by local taxpayers. New Jersey's January 2016 proposed legislation fell a pocket veto short of enactment: It would have imposed a formulary community-service fee on nonprofit hospitals. Legislative efforts are again underway. Perhaps such a third-way solution might become more common. Voluntary agreements for payments in lieu of taxes are literally all over the map, from Boston's revamped comprehensive PILOT program to a Florida appellate court's striking of a PILOT program as inconsistent with statutory exemption. Will the people's branch get the last word after all?

Medical and Dental Expenses

How Public is Private Philanthropy? Separating Reality from Myth

Application for Recognition of Exemption Under Section 501(c) (3) of the Internal Revenue Code

Examination of Returns, Appeal Rights, and Claims for Refund

Church Leases

Hocking the Halo

Presents a collection of papers by economists theorizing on the roles of altruism and morality versus self-interest in the shaping of human behavior and institutions. Specifically, the authors examine why some persons behave in an altruistic way without any apparent reward, thus defying the economist's model of utility maximization. The chapters are accompanied by commentaries from representatives of other disciplines, including law and philosophy.

The practice of taxing church property while exempting other nonprofit groups appears to violate the "no special burden" principle of the free exercise clause. The Supreme Court case of Walz v. Commission charted a course between the free exercise and establishment clause. The Court argued from neutrality, separatism, and history to state that tax exemption of church property is part of an unbroken national tradition. However, the Court's neutrality argument does not address constitutionality, its separatism argument is contrived, and historically, only established religions have been exempt from taxation.Past tax exemptions are rooted in two traditions: the common law adopted from England that granted exemptions to established churches, and the equity law tradition that granted exemptions to all churches. The common law tradition was restricted to certain types of church property of established churches, and the exemptions could be put on hold during times of emergency. The equity tradition gave churches another chance; ecclesiastical and charitable organizations could be tax exempt.These traditions continued uninterrupted in the early American republic.

Three provisions ultimately provided ground for a challenge to the tax exemption of church property. The disestablishment of religion undercut the authority of officials to prefer one religion over the other. The truncation of the equity tradition removed the equitable privileges given to charities. Finally, equal and uniform taxation was considered a basis of American life.In modern theory, churches are seen as beneficial to society because they promote public morality, charity, and education. The law of equity is now based in statutory schemes or state constitutions, but the religious use of property is key to its tax exempt status. In the future, courts must find a via media between the eradication of exemptions and blanket endorsements.

In Camps Newfound/Owatonna, the petitioner charity - with important assistance from friends-of-the-court charities - persuaded the Supreme Court to overturn a Maine statute that granted property tax exemption only to those charities primarily serving state residents. Camps Newfound/Owatoma, Inc. v. Town of Harrison, 117 S. Ct. 1590 (1997). Given this statute's facial discrimination, why was victory a 5-4 squeaker? The charities naturally reasoned that coming within the Commerce Clause requires proving that charities engage in commerce (particularly interstate commerce). In their focus on the financial impact of the discriminatory statute, however, the charities never offered a positive construct of property-tax exemption that ignores the residency of the charity's beneficiaries. The charities' omission left them vulnerable to an attractive articulation of property-tax exemption, whose very definition limit-ed exemption to charities serving state residents.The charities might have achieved a short-run tactical victory at the cost of their long-term strategic interests. Once they decided to participate in the Camps Newfound litigation, the amici charities had no choice but to cast their activity in as commercial a form as possible. Dropping the pretense that charity is not 'big business' might simply declare what all could see if they would only look. However, the strategy of the charities in Camps Newfound might encourage society to rethink its favorable view of the charitable sector. The Supreme Court suggested that the Constitution would not prevent a state from repealing charitable tax exemptions and using state resources instead to pay direct subsidies to residents. As improbable as this result sounds, the very argument made by the charities in Camps Newfound that the charitable sector engages in commerce 'just like the big boys' jeopardizes the special protected view of charities, making society more willing to reconsider public subsidies long taken for granted by charities.

Payments in Lieu of Taxes

Favorable Determination Letter

Charitable Gifts of Noncash Assets

Soldiers' and Sailors' Civil Relief Act of 1940, as Amended . .

Background Memorandum

Why Americans Pay Too Much for Health Care

The State Tax Handbook (2022) is the perfect quick-answer tool for tax practitioners and business professionals who work with multiple state tax jurisdictions. Save time by utilizing a single source of key state tax information instead of having to consult multiple sources. The Handbook is set out in four parts, which together deliver an overall picture of the states' levies, bases and rates of each tax, principal payment and return dates, and other important information on major state taxes.

Contributors in municipal studies, law, and philanthropic studies discuss property-tax exemption for charities and how public perception on property-owning charities differs from reality. They survey the legal and political landscape of property-tax exemption for nonprofit organizations, examine the development of the current structure of nonprofit property-tax exemption and its legal rationales, and assess mechanisms adopted by local municipalities to offset some of the revenue lost because of exempt properties. Material originated at the December 1997 26th Annual Conference of the Association for Research on Nonprofit Organizations and Voluntary Action. Annotation copyrighted by Bank News, Inc., Portland, OR.

Nonprofit Law Poetry: The Second Book By: Bruce Richard Hopkins Welcome back to the realm of nonprofit tax law expressed as poetry! Nonprofit Law Poetry: The Second Book follows Beware the Commerciality Doctrine and Other Nonprofit Law Poetry. Eclectic and spirited, these poems celebrate tax-exempt organizations, charitable classes, donor-advised funds, endowment funds, fundraising, private foundations, the Form 1023, and more, and provide a zippy summary of nonprofit law tax reform in 2017. Nonprofit law commentary has never been so entertaining – and poetry has never been so informative.

Collaboration & Conflict

How to Form a Nonprofit Corporation in California

The Second Book

The Fall of the Faculty

Nonprofit Law Poetry

State Tax Handbook (2022)

In recent years, some public officials and advocacy groups have urged that private philanthropies be subject to more uniform standards and stricter government regulation ranging from board composition to grant distribution to philanthropies' charitable purposes. A major justification cited by advocates of these proposals is the claim that the charitable tax exemption and deduction are government subsidies, and thus philanthropic funds are "public money" and should be publicly controlled. Some advocates also claim that philanthropic assets are public money because philanthropies operate under state charters and are subject to state oversight. In the second edition of this monograph, legal scholars Evelyn Brody and John Tyler evaluate the legal basis of the "public money" claim. They conclude that it is not well founded in legal authority. State oversight of philanthropies is not based on an assertion that philanthropies are subject to state direction or that their assets belong to the public, they write. Similarly, the fact that philanthropies have state charters does not make them state agencies or subject them to the constraints that apply to public bodies. Finally, the philanthropies and their donors receive their federal tax benefits in return for the obligation to pursue public rather than private purposes and to comply with the laws designed to ensure the pursuit of such purposes. There is no evidence, Brody and Tyler find, that these benefits were meant to give government other types of control over philanthropies.

The tax-exempt sector under section 501(c) of the IRS Code covers over a million- & a-half tax-exempt entities (TEE) of varying sizes & purposes. T transparency over TEE activities is aided by public access to their annual tax returns. Oversight can help ensure adherence to exempt purposes, protect against abuses, & sustain public support for the sector. This report addressed: (1) the growth of the section 501(c) tax-exempt sector; (2) the role of governance & transparency in ensuring that TEE function effectively & with integrity; (3) IRS's capacity for overseeing the TEE sector, incl. its results & efforts to address critical compliance problems; & (4) states' oversight & their relationship with IRS in overseeing TEE. Charts & tables.

Until very recently, American universities were led mainly by their faculties, which viewed intellectual production and pedagogy as the core missions of higher education. Today, as Benjamin Ginsberg warns in this eye-opening, controversial book, "deanlets"--administrators and staffers often without serious academic backgrounds or experience--are setting the educational agenda. The Fall of the Faculty examines the fallout of rampant administrative blight that now plagues the nation's universities. In the past decade, universities have added layers of administrators and staffers to their payrolls every year even while laying off full-time faculty in increasing numbers--ostensibly because of budget cuts. In a further irony, many of the newly minted--and non-academic--administrators are career managers who downplay the importance of teaching and research, as evidenced by their tireless advocacy for a banal "life skills" curriculum.

Consequently, students are denied a more enriching educational experience--one defined by intellectual rigor. Ginsberg also reveals how the legitimate grievances of minority groups and liberal activists, which were traditionally championed by faculty members, have, in the hands of administrators, been reduced to chess pieces in a game of power politics. By embracing initiatives such as affirmative action, the administration gained favor with these groups and legitimized a thinly cloaked gambit to bolster their power over the faculty. As troubling as this trend has become, there are ways to reverse it. The Fall of the Faculty outlines how we can revamp the system so that real educators can regain their voice in curriculum policy.

Utilities Code

The Free List

Governance, Transparency, and Oversight are Critical for Maintaining Public Trust

Basis of Assets

Possible Solutions

Of Sovereignty and Subsidy