

Taxation of Tax - Exempt Entities ©

Objective: Most not-for-profit (NFP) entities qualify for tax-exempt status. An NFP is treated like a for-profit entity, except a NFP does not pay income taxes on its profits. Also, an NFP does not pay dividends because it does not have any shareholders. However, taxes and penalties can be imposed on tax-exempt entities. This half-day course will provide an overview of the significant tax issues that should be considered.

Learning objectives:

- Explain how tax-exempt status can be obtained and provide tips to obtain it
- Describe when the tax on “unrelated business taxable income” (UBTI) will be imposed
- Note what exactly UBTI is and provide tips to avoid it
- Explain the rules governing “prohibited transactions”
- Highlight the various penalties that can be imposed
- Note events or transactions that will cause a NFP to lose its tax-exempt status
- Point out critical points to review on IRS Form 990
- Note the lessons to be learned from court cases and IRS rulings

CPE: 4 hours

Level: Overview

Category: Tax

Prerequisites: None

Instructor: Dennis J. Gerschick

Code: TTEE