

113TH CONGRESS
2D SESSION

H. R. 5419

To amend the Internal Revenue Code of 1986 to provide for a right to an administrative appeal relating to adverse determinations of tax-exempt status of certain organizations.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 9, 2014

Mr. BOUSTANY introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to provide for a right to an administrative appeal relating to adverse determinations of tax-exempt status of certain organizations.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. ADMINISTRATIVE APPEAL RELATING TO AD-**
4 **VERSE DETERMINATIONS OF TAX-EXEMPT**
5 **STATUS OF CERTAIN ORGANIZATIONS.**

6 (a) IN GENERAL.—Section 7123 of the Internal Rev-
7 enue Code of 1986 is amended by adding at the end the
8 following:

1 “(c) ADMINISTRATIVE APPEAL RELATING TO AD-
2 VERSE DETERMINATION OF TAX-EXEMPT STATUS OF
3 CERTAIN ORGANIZATIONS.—

4 “(1) IN GENERAL.—The Secretary shall pre-
5 scribe procedures under which an organization de-
6 scribed in section 501(c) may request an administra-
7 tive appeal (including a conference relating to such
8 appeal if requested by the organization) to the Inter-
9 nal Revenue Service Office of Appeals of an adverse
10 determination described in paragraph (2).

11 “(2) ADVERSE DETERMINATIONS.—For pur-
12 poses of paragraph (1), an adverse determination is
13 described in this paragraph if such determination is
14 adverse to an organization with respect to—

15 “(A) the initial qualification or continuing
16 qualification of the organization as exempt from
17 tax under section 501(a) or as an organization
18 described in section 170(c)(2),

19 “(B) the initial classification or continuing
20 classification of the organization as a private
21 foundation under 509(a), or

22 “(C) the initial classification or continuing
23 classification of the organization as a private
24 operating foundation under section
25 4942(j)(3).”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 subsection (a) shall apply to determinations made after
3 the date of the enactment of this Act.

○