

114TH CONGRESS
1ST SESSION

H. R. 1314

AN ACT

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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Ensuring Tax Exempt
3 Organizations the Right to Appeal Act”.

4 **SEC. 2. ADMINISTRATIVE APPEAL RELATING TO ADVERSE**
5 **DETERMINATIONS OF TAX-EXEMPT STATUS**
6 **OF CERTAIN ORGANIZATIONS.**

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

10 “(c) ADMINISTRATIVE APPEAL RELATING TO AD-
11 VERSE DETERMINATION OF TAX-EXEMPT STATUS OF
12 CERTAIN ORGANIZATIONS.—

13 “(1) IN GENERAL.—The Secretary shall pre-
14 scribe procedures under which an organization which
15 claims to be described in section 501(c) may request
16 an administrative appeal (including a conference re-
17 lating to such appeal if requested by the organiza-
18 tion) to the Internal Revenue Service Office of Ap-
19 peals of an adverse determination described in para-
20 graph (2).

21 “(2) ADVERSE DETERMINATIONS.—For pur-
22 poses of paragraph (1), an adverse determination is
23 described in this paragraph if such determination is
24 adverse to an organization with respect to—

25 “(A) the initial qualification or continuing
26 qualification of the organization as exempt from

1 tax under section 501(a) or as an organization
2 described in section 170(e)(2),

3 “(B) the initial classification or continuing
4 classification of the organization as a private
5 foundation under section 509(a), or

6 “(C) the initial classification or continuing
7 classification of the organization as a private
8 operating foundation under section
9 4942(j)(3).”.

10 (b) EFFECTIVE DATE.—The amendment made by
11 subsection (a) shall apply to determinations made on or
12 after May 19, 2014.

Passed the House of Representatives April 15, 2015.

Attest:

Clerk.

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