

113TH CONGRESS
2D SESSION

H. R. 5419

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 17 (legislative day, SEPTEMBER 16), 2014

Received; read twice and referred to the Committee on Finance

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. ADMINISTRATIVE APPEAL RELATING TO AD-**
 2 **VERSE DETERMINATIONS OF TAX-EXEMPT**
 3 **STATUS OF CERTAIN ORGANIZATIONS.**

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

7 “(c) ADMINISTRATIVE APPEAL RELATING TO AD-
 8 VERSE DETERMINATION OF TAX-EXEMPT STATUS OF
 9 CERTAIN ORGANIZATIONS.—

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

17 “(2) ADVERSE DETERMINATIONS.—For pur-
 18 poses of paragraph (1), an adverse determination is
 19 described in this paragraph if such determination is
 20 adverse to an organization with respect to—

21 “(A) the initial qualification or continuing
 22 qualification of the organization as exempt from
 23 tax under section 501(a) or as an organization
 24 described in section 170(c)(2),

1 “(B) the initial classification or continuing
2 classification of the organization as a private
3 foundation under 509(a), or

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

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

Passed the House of Representatives September 16,
2014.

Attest:

KAREN L. HAAS,
Clerk.