

Calendar No. 51

114TH CONGRESS
1ST SESSION**S. 918****[Report No. 114–28]**

To amend the Internal Revenue Code of 1986 to provide notice to charities and other nonprofit organizations before their tax-exempt status is automatically revoked.

IN THE SENATE OF THE UNITED STATES

APRIL 14, 2015

Mr. HATCH, from the Committee on Finance, reported the following original bill; which was read twice and placed on the calendar

A BILL

To amend the Internal Revenue Code of 1986 to provide notice to charities and other nonprofit organizations before their tax-exempt status is automatically revoked.

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. SHORT TITLE.**

4 This Act may be cited as the “Notice for Organiza-
5 tions That Include Charities is Essential (NOTICE) Act”.

1 **SEC. 2. NOTICE REQUIRED BEFORE REVOCATION OF TAX**
2 **EXEMPT STATUS FOR FAILURE TO FILE RE-**
3 **TURN.**

4 (a) IN GENERAL.—Section 6033(j) of the Internal
5 Revenue Code of 1986 is amended by redesignating para-
6 graphs (2) and (3) as paragraphs (3) and (4), respectively,
7 and by inserting after paragraph (1) the following new
8 paragraph:

9 “(2) REQUIREMENT OF NOTICE.—

10 “(A) IN GENERAL.—Not later than 300
11 days after the date an organization described in
12 paragraph (1) fails to file the annual return or
13 notice referenced in paragraph (1) for 2 con-
14 secutive years, the Secretary shall notify the or-
15 ganization—

16 “(i) that the Internal Revenue Service
17 has no record of such a return or notice
18 from such organization for 2 consecutive
19 years, and

20 “(ii) about the penalty that will occur
21 under this subsection if the organization
22 fails to file such a return or notice by the
23 date of the next filing deadline.

24 The notification under the preceding sentence
25 shall include information about how to comply

1 with the filing requirements under subsection
 2 (a)(1) and (i).”.

3 (b) REINSTATEMENT WITHOUT APPLICATION.—
 4 Paragraph (3) of section 6033(j) of the Internal Revenue
 5 Code of 1986, as redesignated under subsection (a), is
 6 amended—

7 (1) by striking “Any organization” and insert-
 8 ing the following:

9 “(A) IN GENERAL.—Except as provided in
 10 subparagraph (B), any organization”, and

11 (2) by adding at the end the following new sub-
 12 paragraph:

13 “(B) RETROACTIVE REINSTATEMENT
 14 WITHOUT APPLICATION IF ACTUAL NOTICE NOT
 15 PROVIDED.—If an organization described in
 16 paragraph (1)—

17 “(i) demonstrates to the satisfaction
 18 of the Secretary that the organization did
 19 not receive the notice required under para-
 20 graph (2), and

21 “(ii) files an annual return or notice
 22 referenced in paragraph (1) for the current
 23 year,

24 then the Secretary may reinstate the organiza-
 25 tion’s exempt status effective from the date of

1 the revocation under paragraph (1) without the
2 need for an application.”.

3 (c) EFFECTIVE DATE.—The amendments made by
4 this section shall apply to notices and returns required to
5 be filed after December 31, 2014.

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