

115TH CONGRESS
2D SESSION

H. R. 6397

To amend the Internal Revenue Code of 1986 to establish a new status for certain tax-exempt organizations with administrative expenses not exceeding 25 percent of contributions.

IN THE HOUSE OF REPRESENTATIVES

JULY 17, 2018

Mr. POSEY 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 establish a new status for certain tax-exempt organizations with administrative expenses not exceeding 25 percent of contributions.

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 “Good Incentives for
5 Vital Non-profit Governance Act” or the “GIVING Act”.

1 **SEC. 2. ESTABLISHMENT OF A NEW STATUS FOR CERTAIN**
 2 **TAX-EXEMPT ORGANIZATIONS WITH ADMINIS-**
 3 **TRATIVE EXPENSES NOT EXCEEDING 25 PER-**
 4 **CENT OF CONTRIBUTIONS.**

5 (a) IN GENERAL.—Section 501 of the Internal Rev-
 6 enue Code of 1986 is amended by adding at the end the
 7 following new subsection:

8 “(s) ADMINISTRATIVE EXPENSES MANAGEMENT.—

9 “(1) IN GENERAL.—Any organization—

10 “(A) which is described in subsection
 11 (c)(3) and exempt from tax under subsection
 12 (a), and

13 “(B) the exempt purpose expenditures of
 14 which comprise at least 75 percent of the total
 15 expenditures of the organization for the taxable
 16 year,

17 may characterize itself as a ‘501(c)(3)(A) status or-
 18 ganization’.

19 “(2) EXEMPT PURPOSE EXPENDITURES DE-
 20 FINED.—For purposes of this subsection—

21 “(A) IN GENERAL.—The term ‘exempt
 22 purpose expenditures’ means, with respect to
 23 any organization for any taxable year, the total
 24 of the amount paid or incurred by such organi-
 25 zation to accomplish purposes described in sec-
 26 tion 170(c)(2)(B).

1 “(B) CERTAIN AMOUNTS EXCLUDED.—The
2 term ‘exempt purpose expenditures’ does not in-
3 clude any administrative expenses.”.

4 (b) EFFECTIVE DATE.—The amendments made by
5 this section shall apply to taxable years beginning more
6 than 180 days after the date of the enactment of this Act.

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