

Union Calendar No.

114TH CONGRESS
1ST SESSION

H. R. 1314

[Report No. 114-]

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

MARCH 4, 2015

Mr. MEEHAN (for himself and Mr. ROSKAM) introduced the following bill;
which was referred to the Committee on Ways and Means

APRIL --, 2015

Reported with an amendment, committed to the Committee of the Whole
House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italic*]

[For text of introduced bill, see copy of bill as introduced on March 4, 2015]

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. SHORT TITLE.**

4 *This Act may be cited as the “Ensuring Tax Exempt*
5 *Organizations the Right to Appeal Act”.*

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

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

12 *“(c) ADMINISTRATIVE APPEAL RELATING TO ADVERSE*
13 *DETERMINATION OF TAX-EXEMPT STATUS OF CERTAIN OR-*
14 *GANIZATIONS.—*

15 *“(1) IN GENERAL.—The Secretary shall prescribe*
16 *procedures under which an organization which claims*
17 *to be described in section 501(c) may request an ad-*
18 *ministrative appeal (including a conference relating*
19 *to such appeal if requested by the organization) to the*
20 *Internal Revenue Service Office of Appeals of an ad-*
21 *verse determination described in paragraph (2).*

22 *“(2) ADVERSE DETERMINATIONS.—For purposes*
23 *of paragraph (1), an adverse determination is de-*
24 *scribed in this paragraph if such determination is ad-*
25 *verse to an organization with respect to—*

1 “(A) *the initial qualification or continuing*
2 *qualification of the organization as exempt from*
3 *tax under section 501(a) or as an organization*
4 *described in section 170(c)(2),*

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

8 “(C) *the initial classification or continuing*
9 *classification of the organization as a private op-*
10 *erating foundation under section 4942(j)(3).”.*

11 ***(b) EFFECTIVE DATE.***—*The amendment made by sub-*
12 *section (a) shall apply to determinations made on or after*
13 *May 19, 2014.*