

## **TAXATION OF EXEMPT ORGANIZATIONS**

**Johnny Rex Buckles**

**Professor of Law**

**Classroom:**

**Tuesday, 3:30-5:20 p.m.**

### **I. Purpose of Course.**

This course is designed (i) to orient students to the laws governing nonprofit organizations; (ii) to familiarize students with the taxation of nonprofit organizations under federal law; and (iii) to introduce students to basic planning techniques for minimizing taxes imposed on nonprofit organizations and their managers.

### **II. Topics to Be Discussed in this Course, Reading Assignments Corresponding thereto, and Dates thereof (Subject to Revision by the Professor).**

<b><u>DATE</u></b>	<b><u>TOPICS</u></b>	<b><u>READING ASSIGNMENT<sup>1</sup></u></b>
1/14	Introduction to Course Introduction to the Nonprofit Sector Historical and Theoretical Underpinnings of the Nonprofit Sector Entity Forms and Legal Framework	Pp. 2-49
1/21	General Taxation of Nonprofits Rationales for Tax Exemption	Pp. 49-76
1/28	Fundamentals of Exemption for Charitable Organizations The Scope of Charity	Pp. 77-119
2/4	The Scope of Charity (cont.) The Public Policy Doctrine	Pp. 119-160
2/11	Educational Organizations Religious Organizations Other Section 501(c)(3) Organizations	Pp. 160-207

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<sup>1</sup> Unless otherwise indicated, all reading assignments in this schedule are from the required textbook. Students must also read statutory provisions and handouts assigned periodically in class.

	State and Local Tax Exemptions	
2/18	Prohibition against Private Inurement Private Benefit Constraint Intermediate Sanctions Limitations on Participation in the Political Process	Pp. 207-257
2/25	Limitations on Participation in the Political Process (cont.) The Section 501(c)(4) Alternative	Pp. 257-308
3/4	Procedural Issues Private Foundations, Public Charities and Alternatives to Private Foundations The Federal Excise Tax Regime Governing Charities	Pp. 315-321 Pp. 508-534 Handout
3/11	NO CLASS (SPRING BREAK)	
3/18	The Federal Excise Tax Regime Governing Charities (cont.)	Handout (cont.)
3/25	The Commerciality Doctrine The Commensurate-in-Scope Doctrine UBIT: History and Policy	Pp. 336-360 Pp. 360-372
4/1	UBIT: Basic Concepts Exclusions from UBTI	Pp. 372-410
4/8	UBTI Computational Issues UDFI Complex Structures	Pp. 411-465
4/15	Other Tax-Exempt Entities	Pp. 698-742
4/22	Summary and Review	
5/6	FINAL EXAM (6:00-8:00 p.m.)	

### **III. Required Materials.**

- A. Textbook:** Taxation of Nonprofit Organizations: Cases and Materials, by James J. Fishman and Stephen Schwarz (3d ed. 2010).
- B. Code Book:** Nonprofit Organizations: Cases and Materials: Statutes, Regulations and Forms, selected by James J. Fishman and Stephen Schwarz.

In addition to these required materials, students occasionally may receive photocopied materials to supplement or replace material appearing in the textbook. Students are responsible for reading such photocopied materials as assigned.

### **IV. Reading Assignments.**

Students must read the assigned materials in accordance with this syllabus and as announced in class. Each reading assignment must be completed by the date corresponding to the assignment in this syllabus unless the professor modifies the assignment.

### **V. Class Participation.**

Students must participate sufficiently in class (as determined by the professor) in order to pass this course. Significant daily preparedness and participation is expected.

### **VI. Evaluation.**

Assuming adequate class participation, a student's grade will be based upon his or her performance on the final exam, subject to the UHLC grading policy.

### **VII. Office Hours.**

Unless otherwise announced, office hours will be Tuesday and Thursday, 1:00-2:30 p.m. (Room 218, TUII), and other times by appointment. The professor will follow a literal "open door" policy when a student is in his office -- no exceptions.

### **VIII. Student Handbook and Compliance with Honor Code.**

Each student is responsible for complying with the requirements governing students in the UHLC's student handbook. In addition to complying with the university attendance policy, each student is expected to attend all classes unless the student has very good cause for being absent on a particular day. Each student must record his or her class attendance and report to the professor concerning the same.