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the Tax Cuts and Jobs Act (TCJA), the massive tax reform legislation enacted at the end of last year, could result in an unexpected tax bill for houses of worship, ...

Jul. 31, 2018

Information copy. Do not send to IRS.

<p>Form 990-N Department of the Treasury Internal Revenue Service</p>	<p style="text-align: center;">Electronic Notice (e-Postcard) for Tax-Exempt Organizations not Required To File Form 990 or 990-EZ</p>
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A For the 2011 calendar year, or tax year beginning 1/1/2011, and ending 12/31/2011.

<p>B Check if applicable: <input type="checkbox"/> Terminated, Out of Business <input checked="" type="checkbox"/> Gross receipts are normally \$50,000 or less</p>	<p>C Name of organization: d/b/a: _____ _____ _____</p>
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<p>E Website: _____</p>	<p>F Name of Principal Officer: _____</p>
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Privacy Act and Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. Your information. We need it to ensure that you are complying with these laws.

The organization is not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid IRS business reply card number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law governing the confidentiality of the Form 990-N is covered in Code section 6104.

The time needed to complete and file this form and related schedules will vary depending on individual circumstances. The estimated average time is 15 minutes.

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It's time for nonprofits to wake up and smell the coffee: A little-noticed provision in the Tax Cuts and Jobs Act (TCJA), the massive tax reform legislation enacted at the end of last year, could result in an unexpected tax bill for houses of worship, institutions of learning and other tax-exempt organizations.

Under the TCJA, certain fringe benefits provided to employees of a nonprofit must be

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organizations to reimburse employees for these entertainment or meal expenses or pay the tab directly.

In addition, firms and organizations may offer various transportation fringe benefits to employees. The benefits, subject to monthly limits, were previously deductible by employers and tax-free to employees. This included benefits for mass transit passes, commuter highway vehicles and parking privileges.

Finally, an employer could provide access to on-site athletic facilities as a fringe benefit to employees. As with qualified transportation benefits, the cost was deductible by the employer and the value received was tax-free to employees.

But the TCJA generally eliminates deductions for entertainment and meal expenses, qualified transportation benefits and benefits for on-site athletic facilities, beginning in 2018. In a corresponding provision, the new law increases an organization's UBIT by the disallowed amount of those fringe benefits.

The repeal of the deduction for entertainment and meal expenses has received plenty of play in the media, but the tax increase for nonprofits has flown under the radar. According to Politico, many organizations are still unaware of this new tax liability, although 600 churches and other groups have signed a petition requesting a repeal of the provision. Others may chime in when they find out what's in store. For instance, Politico says that the Jewish Federations of North America estimates this will set them back by about \$75,000.

A number of other prominent groups – including the Boys & Girls Clubs of America, Goodwill Industries, the YMCA and the National Council of Nonprofits – have expressed their concerns and petitioned for the provision to be delayed, at the very least. Others have been more vocal in their displeasure.

“What we’re talking about is an income tax on the church for providing parking to

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