

Index

Note: References are to book section numbers (§), complete chapters (Ch.), appendices (App.), and/or exhibits (Exh.). A zero section reference (e.g., §1.0) indicates unnumbered introductory material at the beginning of a chapter.

A

- ABA Committee on Exempt Organizations' Task Force on Joint Ventures, §4.2(e)(ii)
- Abatement of Chapter 42 taxes, §5.4
- Abuses:
 - charities as accommodating parties in international terrorist activities, §17.3 (*see also* International joint ventures)
 - healthcare fraud and abuse statutes, §12.4(d)
 - and intermediate sanctions, §§5.1, 5.4 (*see also* Sanctions)
 - and nonprofit scandals, §5.1(a)
 - tax shelter transactions (*see* Tax shelter transactions, exempt organizations as accommodating parties)
- Accountable Care Organizations (ACOs), §§1.3, 12.12(a), 12.12(b)
- Acquisition indebtedness, §9.2(c)
- Advertising:
 - cause-related marketing, §§2.11(g), 14.7(e)
 - philanthropic brands, §6.8(b)
 - websites, §8.5(h)(ii)(A)
- Affinity credit cards, §§8.5(d)(ii), 8.5(d)(ii)(B)–8.5(d)(ii)(D), 14.7(e)
- Affordable housing programs, §§13.2, 13.3(c)(i). *See also* Low-income housing
 - and PLR 9736039, §3.3(f)(v)
- Allocation:
 - carryover allocation relief in federal disaster areas, §13.3(r)
 - corporate sponsorship payments, §14.6(b)(iii)
 - curative, §3.7(a)
 - fractions rule, §§9.4–9.7
 - low-income housing tax credits, §§13.2, 13.3(d)
 - New Markets Tax Credits, §§13.6(d), 13.6(e), 13.6(n), 13.6(w)(ii)
 - partnership profits, losses, and credits, §§3.6, 13.2, 13.3(c)(iii)
 - qualified allocations, §§9.4, 11.6(a)–11.6(c), 11.6(e)–11.6(g)
 - remedial, §3.7(a)
- Alternative structures, §6.7
 - benefit corporation, §6.7(c)
 - Certified B corporations, §6.7(d)
 - flexible purpose corporation (FPC), §6.7(c)
 - L3Cs, §§6.2(b)(v), 6.7(b)
- American Academy of Family Physicians v. United States*, §8.5(d)(i)
- American Campaign Academy v. Commissioner*, §§4.2(d)(ii), 4.2(d)(ii)(C), 5.1(c)
- American Plywood Association v. U.S.*, §15.2(d)
- American Recovery and Reinvestment Act of 2009 (ARRA), §§12.4(f), 13.3(r), 13.10(a)
- Analysis of Section 501(r) final regulations, §12.11(e)
- ACOs, planning-tax exemption, §12.12(b)(vi)
- Ancillary joint ventures, §§1.10, 4.2(e)(ii), 4.2(i), 4.5(c), 4.6, 12.2, 15.3(b)
- Anclote Psychiatric Center, Inc. v. Commissioner*, §12.6(b)
- Anti-abuse rule, §§3.12(g), 9.6(h)
- Antikickback statute, §§12.4, 12.4(d), 12.4(b), 12.4(e), 12.13
- Anti-Terrorist Financing Guidelines, §§17.3(a)(i)(C), 17.3(a)(i)(D)
- Antitrust law, and healthcare joint ventures, §12.4(g)
- Arbitration, §12.5(c)
- Asset-based valuation, §5.2(f)(v)
- At-risk rules:
 - and convertible debt, §18.4(c)(ii)
 - limitations, §3.12(d)
 - and low-income housing tax credit, §§13.3(c), 13.3(l)

INDEX

Audit Guidelines for Hospitals, §12.4(b)
Audits, §§2.10, 8.8
 advance planning to minimize issues,
 §§2.10(a), 4.8(d), 12.13
 conservation easements, §16.3(d)(i)
 development of written policy for,
 §4.8(b)
 “friends” organizations, §17.2(b)
 as function of IRS, §2.10
 guidelines for hospitals, §12.4(b)
 low-income housing projects,
 §§13.3(o), 13.7(h)
 partnership-unified audits, §3.12(f)
 purpose of, §4.8(a)
 surviving, §2.10(b)
 universities and colleges, §§4.2(j)(i),
 4.2(j)(iii), 8.8(e), 14.3, 14.7(f)(ii)
Automatic stay:
 Anti-injunction Act, §19.3(h)
 duration of, §19.3(e)
 effects of, §19.3(c)
 exceptions, §19.3(b)
 and loss of tax-exempt status,
 §19.3(h)
 overview, §§19.3, 19.3(a)
 relief from, §19.3(f)
 third parties, §19.3(g)
 violation of, §19.3(d)

B

B Corporations, §6.7(c)
Bankruptcy:
 automatic stay, §§19.3,
 19.3(a)–19.3(h)
 cancellation-of-debt income, §§19.7,
 19.7(a)–19.7(f)
 Chapter 7 bankruptcy
 (see Chapter 7 bankruptcy)
 Chapter 11 bankruptcy
 (see Chapter 11 bankruptcy)
 discharge, §19.6
 exclusion of COD income,
 §§19.7(c)–19.7(f)
 and lease transactions, §18.5(c)
 overview, §§19.2, 19.2(a),
 19.2(b)(i)–19.2(b)(iv)
 as part of debt restructuring and asset
 protection planning, §19.1
 use of cash, §§19.4(a), 19.4(b)

Bargain sales, §1.15(b)
 consequences of charitable
 contributions, §3.11(e)
 and partnership taxation, §1.15(b)
Basis:
 eligible basis, low-income housing,
 §13.3(j)
 historic investment and low-income
 housing tax credit projects, §13.4(e)
 inside, §3.8(b)(ii)
 outside, §3.8(b)(i)
 partnership interests, §3.8
 qualified basis, low-income housing,
 §13.3(i)
Benefit corporations, §6.7(c)
Better Business Bureau of Washington v. U.S.,
 §4.2(d)(ii)(B)
Big Mama Rag v. United States, §2.5(d)(ii)
Bipartisan Campaign Reform Act,
 §2.3(c)(ii)(A)
Bluetooth SIG Inc. v. United States, §15.2(d)
Bonds:
 abusive transactions, private benefit or
 inurement, §5.2(g)
 financing, §18.3(e)
 social impact bonds, §6.6(b)
 tax-exempt bonds, §6.6(a)
 tax-exempt enterprise zone facility
 bonds, §§13.5(b), 13.5(b)(i)
 tax-exempt financing of low-income
 housing project, §13.3(e)
Boost theory:
 healthcare systems, §12.4(h)(v)
 universities and colleges, §14.6(b)(v)(B)
Branding relationships, §§6.3(b)(ii), 8.5(h)
Brands, philanthropic, §6.8(b)
Bridge loans, §§13.3(c), 18.3(b)
Brownfield properties, §§16.4(a), 16.4(b)
Business enterprise and excess business
 holding rules, §§10.4, 18.6(c)
Business leagues:
 activities, §15.2(c)
 commercial activity for profit, §15.2(d)
 common business interest, §15.2(a)
 defined, §15.1(c)
 five-prong test, §15.2
 general rules, §15.1(a)
 influencing legislation, §15.1(a)
 and joint ventures, §15.1(b)
 membership dues, §§15.1(a), 15.3(d)

INDEX

- NFL filing status, §15.1(b)
 - private benefit or inurement,
 - §§15.1(a), 15.2(e)
 - promotion of common business interest, §15.2(b)
 - unrelated business income tax,
 - §§15.1(a), 15.1(b), 15.3(a)–15.3(d)
- C**
- C corporations:
- compared to limited liability companies (LLCs), §6.2(b)(ii)
 - and earnings stripping rules, §18.2(b)
 - and low-income housing credit, §13.3(c)
 - wholly-owned entities as, §§6.2(c)(i), 6.2(c)(iii)
- Cancer Fund of America, §5.7(a)
- Capital asset pricing model, §5.2(f)(ii)
- Capital calls, §3.13(e)(v)(B)
- Caracci v. Commissioner*, §2.3(b)(ii), 5.5
- Carpenter v. Commissioner*, §16.3(b)
- Cause-related marketing, §§2.11(g), 6.8(f), 14.7(e)
- CDFI award updates, §1.5
- Certified B corporations, §6.7(d)
- Chapter 7 bankruptcy:
- automatic stay, §§19.3, 19.3(a)–19.3(h)
 - chapter 11 compared, §19.2(c)
 - discharge, §19.6
 - overview, §§19.2, 19.2(a)
- Chapter 11 bankruptcy:
- acceptance requirements, §19.5(b)
 - automatic stay, §§19.2(b)(iii), 19.3, 19.3(a)–19.3(h)
 - basics of plan, §19.5(a)
 - best interests test, §19.5(c)
 - case administration, §§19.4(a)–19.4(d)
 - chapter 7 compared, §19.2(c)
 - cramdown, §19.5(d)
 - discharge, §19.6
 - discrimination, §19.5(d)(v)
 - fair and equitable requirement,
 - §§19.5(d)(i)–19.5(d)(iv)
 - filing for, §19.2(b)(ii)
 - HUD regulatory agreement, effect of
 - plan confirmation on, §19.5(e)
 - involuntary petition, §19.2(b)(ii)
 - operation of business, §19.2(b)(iii)
 - overview, §§19.2, 19.2(b)
 - post-petition financing, §19.4(c)
 - reorganization/liquidation,
 - §§19.2(b)(iii), 19.2(b)(iv), 19.5
 - sale of property/rejection, assumption or assignment of contracts, §19.4(d)
 - use of cash, generally, §19.4(a)
 - use of HUD cash, §19.4(b)
 - voluntary petition, §19.2(b)(ii)
- Chargebacks and offsets, §9.6(d)
- Charitable, defining, §1.8
- Charitable contributions:
- cash, §2.11(a)
 - cause-related marketing, §2.11(g)
 - conservation easements, §§2.11(c), 16.3
 - corporate donors, §17.2(a)
 - deductibility of, §§2.11, 17.2, 17.11(a)
 - donative intent, §2.11
 - “friends” organizations, §17.2(b)
 - by joint venture, §2.11(d)
 - long-term capital gain property, §2.11(b)
 - ordinary income property, §2.11(a)
 - registration for charitable solicitation,
 - §2.11(g)
 - short-term capital gain property, §2.11(a)
 - to single-member limited liability companies (SMLLCs), §2.11(e)
 - substantiation and disclosure requirements, §2.11(f)
 - through social media, §2.11(g)
- Charitable organizations. *See* Section 501(c) organizations; Section 501(c)(3) organizations
- Charitable override provisions, §4.2(e)(i)
- Charitable purpose, 3.13(e)(iii), §4.2(d)(iii)
- conservation organizations, §16.7(e)
 - defined, §1.8
 - foreign organizations, §17.9
 - healthcare joint ventures,
 - §§12.3(d)(viii), 12.3(d)(ix)
 - hospitals, §12.3(b)(i)
 - limited liability companies, §6.1
 - and low-income housing,
 - §§4.2(d)(ii)(A)–4.2(d)(ii)(F)
 - and private benefit, §4.2(d)(ii)
 - written representations regarding,
 - §13.7(e)
- Checklists:
- joint ventures, App. 4A
 - New Market Tax Credit compliance and qualification, App. 13A

- Check-the-box regulations, §§3.3(b)–3.3(e), 6.2(a)(i), 13.3(g)(i)
- Churches, 2.2. *See also* Religious organizations
 - defining, for exempt status, §2.5(c)(ii)
 - and political campaigns, §2.3(c)(ii)(A)
- Citizens United v. FEC*, §2.3(c)(ii)(A)
- Colleges. *See* Universities and colleges
- Columbia Park and Recreation Association v. Commissioner*, §§4.2(d)(ii), 4.2(d)(ii)(C)
- Commensurate test, §2.3(b)(iii)
- Commercial joint ventures, private benefit and private inurement rules, §5.2(c) (*see also* Private benefit; Private inurement rules)
- Commissioner v. Culbertson*, §8.5(d)(ii)(B)
- Commissioner v. Tower*, §3.2(a)
- Community benefit standard, §§4.2(e)(ii), 4.2(i), 12.3(b)(i), 12.10
- Community Development Block Grant (CDBG), §§1.5, 13.3(c)(i), 13.3(j)(i)
- Community development corporations (CDCs), §1.5
- Community development entities (CDEs), §§1.5, 13.6(a)–13.6(s)
 - allocation of New Market Tax Credits to, §13.6(d)
 - compliance monitoring, §13.6(c)
 - control of allocatees, §§13.6(e)(i)–13.6(e)(iv)
 - loans to non-real estate businesses, §13.6(l)
 - nonprofits as, for NMTC allocation, §13.6(w)(ii)(A)
- Notice of Allocation Availability (NOAA), §13.6(d)
- and other federal subsidies, §13.6(h)
- and qualified active low-income community business (QALICB), §13.6(i) (*see also* Qualified active low-income community business (QALIB))
- qualified CDE, §13.6(e)
- and qualified equity investments (QUEs), §§13.6(f), 13.6(s)
- and qualified low-income community investments, §13.6(g) (*see also* Qualified low-income community investments (QLICI))
- reasonable expectation test, §13.6(r)
- recapture events, §13.6(q)
- Community Development Financial Institutions Fund (CDFI Fund), §§13.6(b)–13.6(e), 13.6(j), 13.6(k), 13.6(t)
- Community housing development organizations (CHDOs), §13.3(c)(i)
- Community-health-needs assessment (CHNA), §§2.9(j)(iv), 2.9(j)(iv)(B), 2.9(j)(iv)(C), 12.11(a), 12.11(c)(i), 12.11(d)(i), 12.11(d)(iii)
- Compensation:
 - comparability data, §5.4(c)(ii)(B)
 - economic benefit, §5.4(c)(i)
 - and excess benefit transactions, §1.21
 - excessive, §5.1(a)
 - executive compensation, §§2.7, 12.9(b)(ii)
 - healthcare joint ventures, §§12.3(c)(ii)(A), 12.5(e), 12.9(b)(ii)
 - incentive compensation limitations, §5.2(a)(iii)
 - intermediate sanctions, §12.3(c)(ii)(A)
 - in joint ventures, §2.9(h)(i–v)
 - and physician recruitment, §12.4(h)
 - private benefit and private inurement, §5.2
 - reasonableness, §§5.2(a)(ii), 5.4(c)(ii)
 - for services, §§5.2(a), 5.2(a)(i)
 - stock, valuation issues, §5.2(f)(vii)
- Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA), §16.4(a)
- Conflicts of interest, §2.7
 - avoiding, §4.2(d)
 - healthcare joint ventures, §12.5(e)
 - university policies, §14.5
- Conflicts of interest policy, sample, App. 12A
- Conservation and environmental protection, IRS Ruling position, §16.2(a)
- Conservation organizations:
 - audits, §16.3(d)(i)
 - and brownfield properties, §§16.4(a), 16.4(b)
 - charitable purpose, §§16.2, 16.7(e)
- Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA), §16.4(a)

INDEX

- conservation easements, gifts
 - of, §16.3
 - educational purpose, §16.2
 - emissions credits, tax treatment of, §16.7(a)
 - Form 990 reporting, §§16.6, 16.7(c)
 - government, role of, §16.7(b)
 - imposition of penalties on, §16.3(d)(ii)
 - IRS rulings on purpose, §16.2(a)
 - joint ventures, §§1.6, 16.5
 - judicial holdings, §16.2(b)
 - liability issues, §16.5
 - and limited liability companies, §16.5
 - The Nature Conservancy investigation, §§1.6, 16.2(a), 16.3(e), 16.6, 16.7
 - overview, §16.1
 - and Pension Protection Act, §16.3(c)
 - “in perpetuity” requirement, §16.3(b)
 - qualified conservation easements, §16.3(a)
 - state-level developments, §16.7(d)
 - tax avoidance transactions, §16.3(e)
 - valuation of perpetual conservation restriction, §16.3(d)
 - Consolidated Edison Company of New York, Inc. and subsidiaries v. United States*, §13.4(f)
 - Construction loans, §§18.3(a), 18.7(a), 18.7(b)
 - Consumer Operated and Oriented Plans (CO-OPs), §§1.3, 12.12(a), 12.12(c)
 - Control:
 - and 50/50 joint ventures, §4.2(g)
 - ancillary joint ventures, §§1.9, 4.6
 - case law, §§4.2(f), 4.2(g)
 - overview, §1.8
 - test, §4.6(a)
 - transfer of to another tax-exempt organization, §1.13
 - “UBIT plus Control” test, §§4.6(b)–4.6(d)
 - and unrelated business income tax (UBIT), §§4.6(a), 11.3(c)
 - Conversion from exempt to for-profit and for-profit to exempt, §4.9
 - CO-OPs, §§12.12(a), 12.12(c)
 - Corporate equity funds, §1.5
 - Corporate sponsorships:
 - overview, §§4.2(j)(ii), 8.4(h)
 - rules, §8.4(i)
 - Cost recovery. *See* Depreciation
 - Credit cards, college and university, §14.7(e). *See also* Affinity credit cards
 - Crooks v. Kansas City Hay Dealers’ Association*, §15.2(d)
- ## D
- De minimis* rules:
 - lobbying expenditures, §15.1(a)
 - partnership taxation, §9.6(g)
 - private foundations, §10.2
 - Debt restructuring:
 - asset protection issues, §§19.2, 19.3, 19.5
 - automatic stay (*see* Automatic stay)
 - bankruptcy (*see* Bankruptcy; Chapter 7 bankruptcy; Chapter 11 bankruptcy)
 - factors to be considered in analysis, §19.1(a)(ii)
 - options overview, §19.1(a)(i)
 - overview, §19.1
 - specific steps in analysis, §19.1(a)(iii)
 - Debt-financed property:
 - acquisition indebtedness, §9.2(c)
 - defined, §1.18(a)
 - income from, §§9.1, 9.2(b)
 - overview, §9.2(a)
 - partnership rules (*see* Partnership taxation)
 - preferred returns, limitation on, §1.18(a)
 - section 514(c)(9) exception for acquiring or improving real property, §9.3
 - unrelated business income tax, §§1.15(a), 1.16, 8.5(a), 9.2(a), 9.4
 - Depreciation:
 - allocation of, in partnerships, §3.7(a)
 - modified accelerated cost recovery system (MACRS), §§3.9(c), 11.2
 - and tax-exempt entity leasing rules, §§11.2, 11.5(a), 11.5(b), 11.5(d)
 - Disabled American Veterans v. United States*, §8.5(d)(ii)(A)
 - Disaster relief, §13.3(r)
 - Disclosures, public disclosure of tax returns, §§ 2.8(b), 8.8(b)
 - Discounted cash flow (DCF) analysis, §5.2(f)(ii)
 - Discrimination, §2.4(b)

Disposition-type joint ventures, §4.5(d)
 Disqualified persons
 and intermediate sanctions, §§5.4(a),
 12.3(c)(i)
 organization managers,
 §12.3(c)(i)(B)
 per se disqualification, §12.3(c)(i)
 and private inurement,
 §§1.21, 5.1(b) (*see also* Private
 inurement rules)
 substantial influence, §12.3(c)(i)(A)
 Disregarded entities, §6.2(c)(iv)
 Distributions, partnerships, §3.10
 Dividends, §8.5(b)
 Donor-advised funds, §10.2
 Double taxation:
 corporations, §6.2(b)(ii)
 wholly-owned entities, §6.2(c)(i)
 Double-prong test, §3.3(f)
 Down payment assistance to homebuyers,
 §§1.2, 4.2(d)(ii)(B)–4.2(d)(ii)(D). *See also*
 Low-income housing
*Dumaine Farms v. Commissioner of Internal
 Revenue*, §16.2(b)

E

Earnings before interest and taxes
 (EBIT), §5.2(f)(ii)
 Earnings before interest, taxes,
 depreciation, and amortization
 (EBITDA), §5.2(f)(ii)
 Earnings stripping rules, §18.2(b)
 Earnings-based valuation methods,
 §5.2(f)(iii)
Easter House v. United States, §§4.2(d)(ii),
 4.2(d)(ii)(C)
 E-commerce, §8.5(g)
 Economic development corporations
 (EDCs), §2.5(a)(i)(B)
 Economic substance doctrine, §§7.2(a)(ii),
 13.1(d)
 Economic value added (EVA) model,
 §5.2(f)(ii)
 Educational organizations, §2.2. *See also*
 Universities and colleges
 debt-financed property, section
 514(c)(9) exception, §9.3
 education defined, §2.5(d)
 other educational organizations,
 §2.5(d)(ii)

public cultural organizations,
 §2.5(d)(iii)
 schools, §2.5(d)(i)
 Elderly housing, §2.5(a)(i)(A)
 Electronic health records (EHR),
 §§12.1, 12.4(f)
 Employee Plans and Exempt
 Organizations (EP/EO), §5.2(g)
 Empowerment Zone Program, §1.5
 Empowerment zones:
 Community Development Entities,
 §§13.6(a)–13.6(m) (*see also* Community
 development entities (CDEs))
 defined, §13.5(b)
 employment credit, §13.5(b)(ii)
 overview, §13.5
 partial exclusion of gain from sale of
 qualified small business stock,
 §13.5(b)(iv)
 section 179 expensing of qualified
 property, §§13.5(b), 13.5(b)(iii)
 Energy tax credits, §§13.10(a)–13.10(f)
 Enterprise communities:
 defined, §13.5(b)
 overview, §13.5(a)
 tax-exempt facility bonds,
 §13.5(b)(i)
 Environmental liability indemnification,
 §§3.13(c), 3.13(e)(iv)(A)
 Environmental organizations. *See*
 Conservation organizations
 Equity funds, corporate, and low-income
 housing credit, §13.3(c)
 Equity kicker, §§1.14, 18.1, 18.2(c), 18.3(e),
 18.4(a)
Evans v. Commissioner, §16.3(d)(ii)
 Excess benefit transactions, §5.1(b), 5.5. *See*
 also Intermediate sanctions
 case law
 compensation, §12.3(c)(ii)(A)
 revenue sharing, §12.3(c)(ii)(B)
 Excess business holdings:
 de minimis rule, §10.2
 disqualified persons, §10.2
 exclusions, §10.4
 functionally related business, §10.4(a)
 general rules, §10.2
 initial tax, §10.3
 overview, §§1.22, 10.1
 passive income, §10.4(c)

INDEX

- program-related investment, §10.4(b)
 - and sale of undeveloped land, §18.6(c)
- Excise taxes, §§1.20–1.22
 - amount of tax imposed, §7.3(b)
 - applicable transactions, §7.3(a)
 - disclosure requirements, §7.3(c)
 - disqualified person, §12.3(c)(i)
 - excess benefit transactions, §5.4(b)(iii)
 - final regulations, §7.3(d)
 - healthcare joint ventures, §12.11(d)(iii)
 - indemnification agreements, §5.4(e)
 - and intermediate sanctions), §5.2, 5.4(b)(iii) (*see also* Intermediate sanctions)
 - nondisclosure penalties, §7.3(c)
 - private foundations, §10.1
 - on tax shelter transactions, §7.3
- Executive orders, §§17.3(a)(i), 17.3(a)(i)(A), 17.3(a)(i)(C)
- Exempt Organizations Continuing Professional Education (CPE) Instruction Program for FY 2002, §12.3(b)(i)
- Exempt Organizations Continuing Professional Education (CPE) Technical Instruction Program for FY 1999, §4.2(i)(i)
- Exempt Organizations Hospital Compliance Project, §12.9(a)
- Exempt purpose, §12.3(b)(ii)
- Exempt status, loss of, accountable care organizations (ACOs), §12.12(b)(v)(A)
- Exempt-only joint ventures, §4.5(a)
- Exploited activity rule, §8.7(b)(ii)

- F**
- Farley Realty Corporation v. Commissioner*, §18.4(b)(i)
- Federal and State Historic Investment Tax Credit, §1.5
- Federal Emergency Management Agency (FEMA) grants and loans, effect of on eligible basis, §13.3(j)(i)
- Federal Home Loan Bank's Affordable Housing Program, §1.5
- Federation Pharmacy Services, Inc. v. Commissioner*, §12.12(b)(v)(A)
- Feeder organizations, §2.3(d)
- FIN 48, 2.9(k)(ii), §8.8(d)
- Financial Anti-Terrorism Act (FATA), §17.3(a)(i)(B)
- Flexible purpose corporation (FPC), §6.7(c)
- Foregoing tax exemption, §6.8(c)
- Form 990, §§2.3(c)(ii)(C), 2.6(a). *See also* Form 990, redesign of
 - and 50/50 joint ventures, §4.2(h)(ii)
 - community-health-needs assessment (CHNA) requirements, §12.11(c)(i)
 - conservation organizations, §16.6
 - disclosure of returns, §2.8(b)
 - and excessive compensation issues, §5.4(c)
 - and international joint ventures, §17.3(a)(i)(E)
 - lobbying and political expenditures, §15.1(a)
 - public disclosure of tax returns, §8.8(b)
 - reporting requirements, §§1.9, 2.7, 2.8, 8.8
 - royalties, §8.5(d)(ii)(D)
 - Schedule F, §17.12(b)
 - single-member LLCs, §6.3(c)
 - who must file, §2.8(a)
- Form 990, redesign of, §§2.9, 2.9(l), 4.8(b), 12.10, 13.3(s)
 - activities requiring special reporting, §2.9(i)
 - balance sheet, §2.9(f)(ii)
 - changes for 2011, §2.9(f)(ii)
 - compensation reporting, §§2.9(h)(i)-2.9(h)(v)
 - conservation organization reporting, §16.7(c)
 - FIN 48, §2.9(k)(ii)
 - financial statements, §2.9(f)
 - governance policies and structure, §2.9(g)
 - and international joint ventures, §17.12(b)
 - key questions, §2.9(c)
 - major reporting considerations, §2.9(b)
 - overview, §2.9(a)
 - Part III reporting, §2.9(e)
 - reporting requirements, §§12.10, 14.2
 - Schedule C, §2.9(i)(i)
 - Schedule D, §2.9(f)(iii), 2.9(i)(ii), 14.2
 - Schedule F, §2.9(i)(iii)
 - Schedule G, §2.9(i)(iv)
 - Schedule H, §2.9(j)
 - Schedule I, §2.9(i)(v)
 - Schedule K, §2.9(i)(vi)

INDEX

- Form 990, redesign of (*contd.*)
 - Schedule L, §2.9(i)(viii)
 - Schedule N, §2.9(i)(vii)
 - Schedule O, §2.9(i)(ix)
 - Schedule R, §§2.9(d), 2.9(j)(iii)
 - Statement of Revenue and Statement of Functional Expenses, §2.9(f)(i)
 - university and college reporting, §14.2
- Form 990-T, §§2.8(a), 2.8(b)
 - loss reporting, §8.8(e)
 - reportable transactions, §7.2(b)
 - unrelated business income, reporting, §8.1(b)
- Form 1023, §§2.6, 8.8(e), 17.3(a)(i)(E), 17.6
 - disclosure rules, §2.8(b)
 - group exemption, §2.6(b)
 - individual organizations, §2.6(a)
 - single-member LLCs, §6.3(c)
- Form 1023-EZ, §2.6(a)(22)
- Form 1120-POL, §2.3(c)(ii)(C)
- Form 8832, §§3.3(b)(ii), 6.3(c)
- Form 8886, §7.2(b)
- Form 8886-T, §7.3(c)
- Form 14018, §4.2(j)(iii)
- For-profit organizations:
 - conversion to tax-exempt, §4.9
 - healthcare joint ventures, tax-exempt structure compared, §12.5(d)
 - and low-income housing credit, §13.3(c)
 - shared websites, §8.5(h)(ii)(A)
 - as subsidiaries, §§6.3, 6.3(b)(iii)
- Fractions rule, §§1.18(b), 9.6(a), 9.6(c)
- Fragmentation rule, §14.6(b)(vi)
- Fraternal Order of Police v. Commissioner*, §8.3(b)(ii)(B)
- Fraud, federal healthcare fraud and abuse statutes, §12.4(d)
- Functionally related businesses, §§6.2(d), 10.4(a)
- Fundraising, §2.7. *See also* Cause-related marketing

- G**
- Gain sharing, §§12.4(c), 12.4(e)
- Geisinger Health Plan v. Commissioner*, §12.4(h)(v)
- Glass v. Commissioner*, §16.3(b)
- Glick v. United States*, §3.12(c)
- GO Zone Act, §13.9

- Good governance, §4.8(b)
- Governance check sheet, §2.7
- Grants:
 - under American Recovery and Reinvestment Act of 2009 (ARRA), §13.10(e)
 - Community Development Block Grant, §13.3(c)(i)
 - exchange of low-income housing tax credits for, §13.3(d)
 - federal grants, exclusion from eligible basis, §13.3(j)(i)
 - FEMA grants and loans, §13.3(j)(i)
 - foreign, §§17.1, 17.5, 17.8, 17.9, 17.12(b)
 - private foundations, §17.5(b)
 - public charity grantmaking considerations, §17.5
- GrantsHOPE VI Public Housing Revitalization Program, §13.3(j)(i)
- Ground lessor, exempt organization as
 - advantages of equity ownership, §18.2(b)
 - advantages of leasing arrangement, §18.2(a)
 - ground lease with leasehold mortgage, §18.5(a)
 - nontax considerations, §18.5(c)
 - overview, §§1.14, 18.1, 18.8
 - participating ground lease, §18.6(d)
 - reclassification of lease as joint venture, §18.2(c)
 - rental income, treatment as unrelated business income, §18.5(b)
 - sale-leaseback transactions, §18.5(c)
 - undeveloped land, sale of, §18.6
 - universities and colleges, §14.7(a)
- Guarantees, §3.13
 - capital call provisions, §3.13(e)(v)(B)
 - completion guaranty, §3.13(e)(iv)(C)
 - credit adjustment guaranty, §3.13(e)(iv)(B)
 - environmental liability indemnification, §§3.13(c), 3.13(e)(iv)(A)
 - IRS position on, §§3.13(e), 3.13(e)(v)
 - limitations, §18.7(e)
 - limited individual recourse, §18.7(c)
 - low-income housing tax credits, §§13.3(c), 13.7(a)–13.7(i)
 - master lease or convenience lease, §18.7(d)

minimum investment return
 provisions, §3.13(a)
 other, §3.13(d)
 overview, §18.7(a)
 partnership payments, §9.6(c)
 return of capital, §3.13(b)
 third-party, §18.7(b)
 Gulf Zone Opportunity Act of 2005, §13.9

H

Harlan E. Moore Charitable Trust v. United States, §8.5(c)
 Health information exchanges (HIOs), §12.4(f)
 Health information technology (HIT), §12.4(f)
 Health insurance exchanges. *See* CO-OPs
 Healthcare:
 as charitable purpose, §2.5(b)
 industry issues, §12.4
 nonprofit status denial for HMOs, §2.5(b)
 Healthcare joint ventures:
 50/50 control, §§12.5(a)–12.5(e)
 accountable care organizations (ACOs), §§12.12(a), 12.12(b)
 and American Recovery and Reinvestment Act of 2009, §12.4(f)
 ancillary joint ventures, §4.2(e)(ii), 12.2, 12.3(d)(ix)
 Antikickback statute, §§12.4, 12.4(d), 12.4(e)
 antitrust guidance, §12.4(g)
 arbitration, §12.5(c)
 audit guidelines for hospitals, §§12.4(b), 12.4(e), 12.13
 charitable assets used in furtherance of exempt purposes, §12.3(b)(ii)
 charitable purpose, §§12.3(b)(i), 12.3(d)(viii), 12.3(d)(ix)
 collection process, §12.11(c)(iv)
 community benefit standard, §12.3(b)(i)
 community-health-needs assessment (CHNA), §§2.9(j)(iv), 2.9(j)(iv)(B), 2.9(j)(iv)(C), 12.11(a)–12.11(e)
 compensation, §§12.3(c)(ii)(A), 12.5(e), 12.9(b)(ii)
 compliance, policies, and procedures, §§12.11(a)–12.11(e)

conflicts of interest, §12.5(e)
 control issues, §§12.3(b)(iv), 12.3(b)(v), 12.3(d)(ii), 12.3(d)(iii), 12.3(d)(iv), 12.3(d)(vii), 12.3(d)(viii), 12.3(d)(ix), 12.5(e), 12.7(a), 12.12(b)(iv)
 CO-OPs, §§12.12(a), 12.12(c)
 disclosure of financial statements, §12.11(d)(ii)
 disqualified person, §12.3(c)(i)
 and economics of healthcare, §12.1
 excess benefit transactions, §12.3(c)(ii)
 excise taxes, §12.11(d)(iii)
 financial assistance policy, §12.11(c)(ii)
 Form 990 reporting, §2.9(j)
 foundation model, §12.3(d)(vi)
 fraud and abuse legislation, §12.4(d)
 gain sharing, §§12.4(c), 12.4(e)
 GAO guidance, §12.6(c)
 government scrutiny, §§12.9(a)–12.9(c), 12.12
 and health information exchanges, §12.4(f)
 health information technology (HIT), §§12.1, 12.4(f)
 health maintenance organizations, §12.4(h)(iii)
 and healthcare reform, §12.9(b)(i)
 hospital audit guidelines, §12.4(e)
 Hospital Joint Venture Article (CPE 1999), §§12.2, 12.3(d)(v), 12.3(d)(ix), 12.6(d)
 independent delivery systems, §12.3(b)(i)
 integral part doctrine, §§12.4(h)(v), 12.7(a)–12.7(c)
 integrated delivery systems, §12.4(h)
 intermediate sanctions, §§12.3(c), 12.6(e), 12.7(d)
 IRS periodic review and annual report, §12.11(d)(iv)
 joint operating agreements, §§12.2, 12.7(a)–12.7(e)
 limitations on charges, §12.11(c)(iii)
 limited liability companies, §12.2
 (*see also* Limited liability companies (LLCs)) limited partnerships, §12.2
 managed service organizations, §§12.4(h), 12.4(h)(ii)
 management issues, §§12.3(d)(viii), 12.5(e)

- Healthcare joint ventures (*contd.*)
 - model participation policy, App. 12B
 - noncompliance penalties, §2.9(j)(iv)(C)
 - Office of Inspector General violations, §§12.4(d), 12.4(e)
 - operating agreements, drafting, §12.3(d)(ix)
 - overview, §§1.3, 12.1
 - Patient Protection and Affordable Care Act (PPACA), §§1.3, 12.4(d), 12.11(a)–12.11(e) (*see also* Patient Protection and Affordable Care Act (PPACA))
 - physician hospital organizations, §12.4(h)(i)
 - Physician Recruitment Guidelines, §§12.4(c), 12.4(c)(i)
 - point of service HMOs, §12.4(h)(iv)
 - private benefit, 12.3(b)(iii), §§12.3(d)(iv), 12.3(d)(v)
 - private inurement, §12.3(b)(iii)
 - for-profit and tax-exempt structures compared, §12.5(d)
 - reasons for, §12.1
 - regional health information organizations, §12.4(f)
 - reporting requirements, §12.9(b)(i)
 - Revenue Ruling 98–15, §§3.3(f)(iv), 12.3(d)(i)–12.3(d)(x), 12.5(a)–12.5(e), 12.8
 - revenue sharing, §§12.3(c)(ii)(B), 12.4(a)
 - revocation of exempt status, §§12.3(b)(vi), 12.3(c), 12.4(e), 12.6(b)
 - San Antonio model, §12.3(d)(vi)
 - Schedule H, §12.1
 - Section 501(r) requirements and implications, §§12.11(a)–12.11(e)
 - Stark Law, §§12.4, 12.4(d)
 - structure of, §§12.2, 12.3(d)(viii), 12.11(b)
 - subsidiaries, use of, §12.3(d)(x)
 - tax restrictions, §12.3(a)
 - tax treatment, historical, §12.3(b)
 - unrelated business income, §12.3(a)
 - unrelated business income tax, §§12.7(a), 12.7(b), 12.8
 - valuation issues, §§12.6(a)–12.6(e), veto authority, §§12.5(b), 12.7(b)
 - virtual merger, §12.2
 - whole-hospital, §§4.5(d), 12.2, 12.3(d)(vi), 12.3(d)(vii), 12.6(a), 12.7(a)
- Hillman v. Commissioner*, §3.12(c)
- Historic Boardwalk Hall v. Commissioner*, §13.4(f)
 - Rev. Proc. 2014–12, safe harbor, §§1.6, 13.4(f)(ii)
- Historic investment tax credit:
 - certified historic structures, §13.4(c)
 - claiming, §13.4(e)
 - Historic Rehabilitation Tax Credit and Gulf Zone Opportunity Act of 2005, §13.9
 - overview, §13.4(a)
 - profit motive, §13.4(f)
 - provisions of, §13.4(b)
 - qualified rehabilitation expenditures, §13.4(d)
 - recapture, §13.4(g)
 - sale of Virginia historic tax credits, §13.4(i)
 - SFW Real Estate LLC v. Commissioner, §13.4(i)
 - state tax credits, §13.4(h)
 - treatment of 50(d) income and qualified leasehold improvements, §13.4(h)
- Hobby Lobby Stores, Supreme Court decision, §§1.24, 6.8(d)
- Holding companies, §6.3(d)(iii)
- HOME Investment Partnerships Program, §§1.5, 13.3(c)(i)
- HOPE VI Public Housing Revitalization Program, §13.3(c)(i)
- Hospitals, tax-exempt. *See also* Healthcare joint ventures
 - charitable purpose, §2.5(a)(ii)
 - community benefit standard, §§4.2(e)(ii), 4.2(i)
 - compliance for nonprofit status, §2.5(b)
 - conversion to for-profit, §4.9
 - defining, §2.9(j)(iv)(A)
 - and economics of healthcare, §12.1
 - and insiders, §4.2(ii)
 - joint ventures, §§2.9(j), 4.2(i), 10.2 (*see also* Healthcare joint ventures)
 - Patient Protection and Affordable Care Act (PPACA), §§1.3, 12.1
 - research, income derived from, §14.4

whole-hospital joint ventures, §12.2. *See also* Healthcare joint ventures
 Housing Assistance Tax Act of 2008, §§13.3(d), 13.3(g), 13.3(h)
Housing Pioneers, Inc. v. Commissioner, §4.2(d)(iii)
 Hybrid entities, §§1.24, 6.8(d). *See also* Benefit corporations; L3Cs

I

IHC Health Plans Inc. v. the Commissioner, 2.5(b)
IIT Research Inst. v. United States, §14.4(d)
 Impact investing, §§6.6(b), 6.8(g)
 Incentive compensation limitations, §5.2(a)(iii)
The Inclusive Communities Project, Inc. v. Texas Dep't of Housing and Community Affairs, §13.3(d)
 Indemnification:
 excise tax liabilities, §5.4(e)
 and low-income housing tax credits, §§13.7(a)–13.7(i)
 Innovative joint venture models, §§6.8(a)–6.8(h)
 Inside basis, §3.8(b)(ii)
 Insiders:
 asset sales to, §5.2(e)
 and private inurement, §§5.1(b), 5.1(c), 5.2(e)
 university faculty, §14.5
 Installment sales, §18.6(b)(i)
 Insulation of assets, §3.13(e)(iv)
 Intangibles, licensing of, §1.20
 Integrated delivery system (IDS), §12.4(h). *See also* Healthcare joint ventures
 Intellectual property, valuation issues, §5.2(f)(v)
 Interest:
 based on gross receipts, §18.4(c)(iv)
 contingent, , §§18.4(b)(ii), 18.4(c)
 prepayment penalty treated as, §18.4(c)(vi)
 and unrelated business income tax (UBIT), §§1.14, 1.16, 4.7(c), 8.5, 8.5(a), 18.2(c), 18.2(a), 18.4(a), 18.4(b), 18.4(d)
 Intermediate sanctions:
 compensation arrangements, §12.3(c)(ii)(A)
 disqualified persons, §12.3(c)(i)
 donor-advised funds and supporting organizations, §10.2
 excess benefit transactions, §§1.21, 12.3(c)(ii)
 healthcare organizations, §§12.3(c), 12.6(e), 12.7(d)
 organization managers, §12.3(c)(i)(B)
 private benefit and private inurement, §§2.3(b)(ii), 5.1(a), 5.2, 5.4–5.6
 revenue sharing, §12.3(c)(ii)(B)
 substantial influence, §12.3(c)(i)(A)
 universities and colleges, §14.5
 Internal Revenue Service (IRS):
 audits (*see* Audits)
 automated revocation policy, §2.8(a)
 Exempt Organizations Continuing Professional Education (CPE) Instruction Program for FY 2002, §12.3(b)(i)
 Exempt Organizations Continuing Professional Education (CPE) Technical Instruction Program for FY 1999, §4.2(i)(i)
 good governance policy, §§2.7, 5.2(a)(i)
 hospital compliance project, §12.9(a)
 community benefit compliance, §12.11(b)
 state action against nonprofit hospitals, §12.9(c)
 international activity focus, §17.12(a)
 reporting requirements (*see* Reporting requirements)
 university and college compliance project, §§4.2(j)(iii), 8.8(e), 12.1, 14.3, 17.12(c)
 International joint ventures, §1.23
 Anti-Terrorist Financing Guidelines, §§17.3(a)(i)(C), 17.3(a)(i)(D)
 with Canadian nonprofits, §17.11(c)
 cause-related marketing, §17.12(d)
 charities as accommodating parties in terrorist activities, §17.3
 compliance, §17.4
 and cross-border philanthropy, §17.1
 domestic charities and foreign organizations, §17.9
 Executive Orders, §§17.3(a)(i), 17.3(a)(i)(A), 17.3(a)(i)(C), 17.4
 expenditure responsibility, §17.8

International joint ventures (*contd.*)

- Financial Action Task Force on Money Laundering (FATF), §17.3(a)(i)(H)
- Financial Anti-Terrorism Act (FATA), §17.3(a)(i)(B)
- Foreign Account Tax Compliance Act (FATCA), §17.3(a)(i)(F)
- foreign equivalency determinations, §17.12(a)
- foreign laws, applicability of, §17.10
- foreign organizations recognized as §501(c)(3) organizations, §17.6
- foreign tax treaties, §§17.10, 17.11, 17.11(a)–17.11(b)
- Form 990, §§17.3(a)(i)(E), 17.12(b)
- Form 1023, §§17.3(a)(i)(E), 17.6
- “friends” organizations, §§17.2(b), 17.5, 17.9
- fundraising and other trends, §17.12(d)
- grantmaking rules, §§17.1, 17.5, 17.9
- guidelines, §§17.3(a)(i)(C), 17.4
- IRS current focus areas, §17.12(a)
- and money laundering, §§17.3(a)(i)(H), 17.3(c)
- Office of Foreign Assets Control (OFAC), §17.3(a)(i)(G)
- overview, §§17.1, 17.13
- private foundations, §17.9
- program-related investments (PRIs), §17.9
- public charity equivalency test, §17.7
- risk assessment, §17.4
- social entrepreneurship and, §17.1
- structuring guidance, §17.11(c)
- terrorist risk and implications, §§17.3(a)–17.3(c), 17.4
- universities and colleges, §17.12(c)
- USA Patriot Act of 2001, §§17.3(a)(i), 17.3(a)(i)(B)

Internet:

- advertising, §§8.5(h)(ii)(A), 8.5(h)(iv)
- and branding issues, §8.5(h)
- companies, valuation issues, §§5.2(f), 5.2(f)(iv)
- and corporate separation, §§8.5(h)(iii), 8.5(h)(iv)
- and cross-border philanthropy, §17.1
- and disclosure rules, §2.8(b)
- impact of, §1.24

- income from and unrelated business income tax, §§8.5(g), 8.5(h)(ii)(B)
- legislative and political activities, §§2.3(c)(i), 2.3(c)(ii)(A)1
- lobbying activities, §2.3(c)(i)(B)
- political activities, §2.3(c)(ii)(A)1
- shared websites and separation of nonprofit and for-profit subsidiaries, §8.5(h)(ii)(B)
- single publication issue, §8.5(h)(ii)(A)
- and social entrepreneurship, §17.1
- and universities, §14.7(d)
- use of, §8.5(h)(ii)

- Investment-type joint ventures, §4.5(b)
- IRS Field Directive, §3.13(e)(i)

J

- Jockey Club v. United States*, §15.2(d)
- John Gabriel Ryan Association v. Commissioner*, §§4.2(g), 12.3(d)(ix)
- John W. Madden, Jr., v. Commissioner*, §8.3(b)(i)(D)
- Joint operating agreements (JOAs), healthcare joint ventures, §§12.2, 12.7(a)–12.7(e)
- Joint venture policy, §2.7
- Joint ventures:
 - alternative structures, §6.7
 - ancillary, §§1.10, 4.5(c), 4.2(e)(ii), 4.2(i), 4.6, 12.2, 15.3(b)
 - approaches overview, §6.1
 - categories for analysis of, §4.5
 - charitable contributions by, §2.11(d)
 - checklist, App. 4A
 - compensation reporting, §2.9(h)(i–v)
 - conservation easements, §2.9(i)(ii)
 - defining, §§1.2, 2.9(c)(i)
 - determination of reportable share of activities, §2.9(c)(ii)
 - exit strategy, §4.2(h)(ii)
 - 5 percent test, §2.9(d)(iii)
 - foreign activities, §2.9(i)(iii)
 - and Form 990 reporting, §2.9 (*see also* Form 990)
 - fundraising and gaming activities, §2.9(i)(iv)
 - governance policies and structure, §2.9(g)
 - grantmaking, §2.9(i)(v)

INDEX

- hospitals operated by, §2.9(j)
 - identifying related partnerships, §2.9(d)(i)(A)
 - information required to be reported, §2.9(d)(i)(B)
 - international, §1.23
 - major transactions or events, §2.9(i)(vii)
 - management companies and, §2.9(j)(iii)
 - model participation policy, App. 4B
 - new models for, §§6.8(a)–6.8(h)
 - with other exempt organizations, §4.4
 - political campaign and lobbying activities, §2.9(i)(i)
 - program service accomplishments, §2.9(e)
 - proportionate share of activities, §2.9(j)(ii)
 - as related organizations, §2.9(d)(i)
 - structure of (*see* Structure of joint ventures)
 - substantial activities, §2.9(d)(iii)
 - “substantially related” business activity, §4.6(c)
 - tax compliance considerations, §2.9(k)
 - tax years, §2.9(c)(iii)
 - taxation of (*see* Partnership taxation)
 - tax-exempt bonds, §2.9(i)(vi)
 - transactions with interested persons, §2.9(i)(viii)
 - transfers to and from related partnerships, §2.9(d)(ii)
 - Julius M. Israel Lodge of B’nai B’rith v. Commissioner*, §8.4(g)
- K**
- Kassuba v. Realty Income Trust*, §18.5(c)
 - Kaufman v. Commissioner*, §16.3(b)
- L**
- L3Cs (“low-profit” limited liability company):
 - compared to benefit corporations, §6.7(c)
 - defining, §6.2(b)(v)
 - Lease agreements:
 - ground leases (*see* Ground lessor, exempt organization as)
 - master lease, §18.7(d)
 - Leasing rules, tax-exempt organizations, §§1.15(a), 1.18(c)
 - deducting losses, §11.5(d)
 - depreciation, restrictions on, §11.2, 11.5(a), 11.5(b)
 - disqualified lease, §11.4(b)
 - five-year look-back rule, §11.3(b)
 - and historic investment tax credit, §13.4(a)
 - and low-income housing partnerships, §13.3(c)(iii)
 - partnership rules, §§1.15(a), 11.2, 11.6(a)–11.6(j)
 - personal property, §§11.4(c), 11.5(a)
 - real property, §11.4(a)
 - short-term leases, §11.4(d)
 - subsidiaries, §11.3(c)
 - tax credits, §11.5(c)
 - tax-exempt entity defined, §11.3(a)
 - tax-exempt use property, §§11.4(a)–11.4(d)
 - transfer restrictions, §11.5(e)
 - types of transactions covered, §11.2
 - Legislative activities:
 - exceptions from “influencing legislation,” §2.3(c)(i)(C)
 - lobbying election, §2.3(c)(i)(B)
 - Political Activity Compliance Initiative (PACI), §2.3(c)(ii)(A)
 - political campaigns, §2.3(c)(ii)
 - proscription against, §2.3(c)(i)
 - sustainability, §2.3(c)(i)(A)
 - trade associations, §15.1(a)
 - Lenders, exempt organization as, §18.4(c).
 - See also* Loans
 - contingent interest debt, structuring
 - debt-equity loan classification, §18.4(b)
 - functional responsibilities, §18.4(c)(vii)
 - guarantees, §18.7
 - option to purchase and sale-leaseback provisions, §18.4(b)(iii)
 - overview, §§1.14, 18.1, 18.8
 - service and commitment fees, §18.4(d)
 - universities and colleges, §14.7(a)
 - Leverage lender, nonprofits as, for NMTC allocation, §13.6(w)(ii)(C)
 - Liabilities and Economic Risk of Loss, §3.8(c)
 - Like-kind exchanges, §§1.15(b), 11.5(e)

INDEX

- Limited liability companies (LLCs):
 - as alternative to partnerships, §3.4(a)
 - background and development of, §6.2(a)
 - charitable purpose, §6.1
 - check-the-box regulations, §6.2(a)(i)
 - classification as, §3.3(c)
 - compared to C corporations, §6.2(b)(ii)
 - compared to L3Cs, §6.2(b)(v)
 - compared to limited partnerships, §6.2(b)(i)
 - compared to S Corporations, §6.2(b)(iii)
 - conservation organizations and, §16.5
 - conversions of, §6.2(c)(iv)
 - disadvantages of, §6.2(b)(iv)
 - healthcare joint ventures, §12.2
 - (*see also* Healthcare joint ventures)
 - historical development, §6.2(a)(i)
 - L3Cs, §§1.11, 1.24, 6.2(b)(v)
 - low-income housing projects (*see* Low-income housing; Low-income housing tax credit (LIHTC))
 - multiple-member, §6.2(a)
 - operating agreements, drafting, §12.3(d)(viii)
 - private foundations as members of, §6.2(d)
 - Revenue ruling 99–5, §6.2(c)(iv)
 - Revenue ruling 99–6, §6.2(c)(iv)
 - single-member (SMLLCs), §§2.11(e), 6.2(a) (*see also* Single-member limited liability companies (SMLLCs))
 - state laws, §6.2(a)
 - structure of (*see* Structure of joint ventures)
 - structuring joint ventures, §§1.11, 4.3–4.4, 6.2(a)
 - tax treatment, §§3.4(a), 6.2(b)(ii)
 - two-prong test, §6.2(d)
 - unrelated business income tax, §§6.2(b)(ii), 6.2(c)(iii)
 - wholly-owned entities as, §6.2(c)
- Limited partnerships, §6.2(b)(i). *See also* Partnerships
- Partnerships
 - compared to limited liability companies (LLCs)
 - definition of, §3.2(b)
 - exempt organization as limited partner, §4.3
- Liquidations, §§4.11, 6.2(c)(iv), 6.3(e)
 - gains and losses from, §6.2(c)(iv)
- Literary organizations, §2.2
- Loans:
 - adequate capitalization of, §18.4(c)(v)
 - bridge loans, §§13.3(c), 18.3(b)
 - collateral, additional, §18.7(b)
 - commitment fees, §18.4(d)
 - construction, §§18.3(a), 18.7(a), 18.7(b)
 - convertibility, state legislation, §18.4(c)(ii)
 - debt-equity loan classification, §18.4(b)
 - due-on-sale clause, §§18.4(c)(vii), 18.5(c)
 - FEMA grants and loans, §13.3(j)(i)
 - low-income housing projects, §1.5
 - nonrecourse, §§13.3(l), 13.6(s), 18.7(a), 18.7(c)
 - participating, §§18.4, 18.4(a), 18.4(b), 18.4(c)(iii)
 - permanent loans, §18.3(d)
 - private benefit and private inurement rules, §5.2(b)
 - program-related investments (*see* Program-related investments (PRI))
 - real estate loan types, §18.3
 - reclassification as joint venture, §18.2(c)
 - service and commitment fees, §18.4(d)
 - unrelated business income tax, §18.4(d)
 - wraparound or second mortgage loans, §18.3(c)
- Lobbying activities. *See also* Legislative activities; Lobbying Disclosure Act (LDA) of 1995
 - Form 990 reporting, §2.9(i)(i)
 - private foundations, §10.1
 - proscription against, §2.3(c)(i)
- Lobbying Disclosure Act (LDA) of 1995, §2.3(c)(iii)
- Lobbyist, defining, §2.3(c)(iii)
- Local economic development corporations (LEDC), §1.5
- Look-back rule, §11.3(b)
- Look-through rule, §13.6(n)
- Lord v. Commissioner*, §16.3(d)(i)
- Losses, §3.8(d)
 - loss deferral provision, §3.8(d)
 - loss limitation rule basis in partnership interest, §3.8(a)
 - passive activities (*see* Passive activity losses)

- Louisiana Credit Union League v. United States*, §8.3(b)(iii)(B)
- Low-income community (LIC), §§13.6(l), 13.6(o)
- targeted populations as, §13.6(p)
- Low-income housing:
- and business relationships, §13.1(a)
 - charitable purpose, §§2.5(a)(i)(A), 4.2(d)(ii)(B)–4.2(d)(ii)(D)
 - contractual arrangements, §13.1(c)
 - federal programs, §13.3(c)(i)
 - financing, §13.3(c)
 - and limited liability companies (see Limited liability companies (LLCs))
 - ownership formats, §13.1(b)
 - and partnership tax issues, §§3.11(f), 3.13(a), 3.13(b), 3.13(e), 11.6(f) (see also Partnership taxation)
 - and passive loss limitations, §3.11(f)
 - tax credit (see Low-income housing tax credit (LIHTC))
- Low-income housing tax credit (LIHTC), §1.5
- and abusive tax shelters, §7.5
 - and advantages of leasing land, §18.1
 - allocation of credits from state, §13.3(d)
 - applicable credit percentage, §13.3(g)
 - audits, §13.3(o)
 - carryover allocation relief, §13.3(r)
 - check-the-box regulations, impact of, §13.3(g)(i)
 - Community Development Block Grant, §13.3(c)(i)
 - compliance, §13.3(q)
 - compliance monitoring relief, §13.3(r)
 - compliance period, §§13.3(c), 13.3(f), 13.3(k), 13.3(m)
 - construction, development, and management of project, §13.3(c)(ii)
 - development fees, §13.3(o)
 - difficult development area, §13.3(j)(ii)
 - disposition of interest after compliance period, §13.3(m)
 - effects of economic crisis on, §§13.3(a), 13.3(d)
 - eligible basis, §§13.3(j), 13.3(j)(i), 13.3(j)(ii)
 - emergency housing relief, §13.3(r)
 - exchange for grant funds, §13.3(d)
 - extended use commitments, §13.3(q)(i)
 - federal grants, exclusion from eligible basis, §13.3(j)(i)
 - federal subsidies, §§13.3(d), 13.3(g), 13.3(h)
 - fifteen-year issues, §13.3(n)
 - financing, §§13.3(c), 13.3(c)(i)
 - guarantees and indemnifications, IRS guidance on, §§13.3(c), 13.7(a)–13.7(i) and Gulf Zone Opportunity Act of 2005, §13.9
 - and historic tax credit, §13.4(e)
 - HOME Investment Partnerships Program, §13.3(c)(i)
 - HOME rent, §13.3(q)(ii)
 - legislation, §13.3(a)
 - minimum set-aside requirement, §13.3(f)(i)
 - nonprofit-sponsored, §13.2
 - organizational use of, §2.5(b)
 - overview, §13.3(b)
 - partnership allocations, §13.3(c)(iii)
 - projects in federal disaster areas, §13.3(r)
 - qualified basis, §13.3(i)
 - qualified census tract, §13.3(j)(ii)
 - qualified contract exception, §13.3(n)
 - qualified low-income housing project, §13.3(f)
 - recapture, §§13.3(k), 13.3(r)
 - rent restriction requirement, §13.3(f)(ii)
 - reportable transactions, §13.8
 - Rev. Ruling 2004–82, §§13.3(q)(i), 13.3(q)(ii)
 - and right of first refusal to buy property, §13.3(c)
 - at-risk rules, §§13.3(c), 13.3(l)
 - “sale” of credit to for-profit investor, §13.3(c)
 - state tax credits, §13.3(p)
 - tax-exempt bond financing, §13.3(e)
 - tax-exempt leasing rules, §13.3(c)(iii)
 - and tax-exempt organizations, §13.3(c)
 - utilization by tax exempt organizations, §13.3(c)
 - vacant unit rule, §13.3(q)(iii)
- Luna v. Commissioner*, §8.5(d)(ii)(B)

M

Mailing lists, sale of,
 §§8.5(d)(ii)(A)–8.5(d)(ii)(D), 14.7(e)
 Management, and participating loans,
 §18.4(c)(iii)
 Manager excise tax, §7.3(a)
 Managers, excess benefit transactions,
 intermediate sanctions, §5.4(a)(v)
 Market value approach, §5.2(f)(vi)
 Marketing:
 cause-related, §§2.11(g), 6.8(f)
 philanthropic brands, §6.8(b)
 web sites, §14.7(e)
 Massive Open Online Courses (MOOCs),
 §§1.4, 14.1, 14.7(c)(ii)
Maynard Hosp., Inc. v. Commissioner,
 §4.2(f)
 Medicare and Medicaid:
 Antikickback Statute, §§12.4, 12.4(b),
 12.4(d), 12.4(e)
 and health information technology,
 §12.4(f)
 and health maintenance organizations,
 §12.4(h)(iii)
 and healthcare joint ventures, §12.1
 Medicare Shared Savings Program (MSSP),
 §12.12(b)
MIB, Inc. v. Commissioner, §15.2(d)
Michael T. Caracci et al. v. Commissioner,
 §12.6(b)
Midwest Research Inst. v. United States,
 §14.4(d)
 Minority enterprise small business
 investment company (MESBIC), §§1.5,
 3.13(a), 6.3(a)(ii)
 Mission-related investments, §6.5(a)
 Modified accelerated cost recovery system
 (MACRS), §§3.9(c), 11.2
 Money laundering, and international joint
 ventures, §17.3(c)
 Museums, sale of merchandise, §8.5(f)

N

National Collegiate Athletic Association v.
Commissioner, §8.3(b)(ii)(B)
 National Geographic Society joint venture
 with 21st Century Fox, §§1.17, 6.3(b)(14)
National League of Postmasters v.
Commissioner, §15.3(d)

National Muffler Dealers Association, Inc. v.
United States, §15.2(c)
 National Register of Historic Places,
 §§13.4(a), 13.4(c)
Nationalist Movement v. Commissioner,
 §2.5(d)(ii)
 The Nature Conservancy, §§1.6, 16.2(a),
 16.3(e), 16.6, 16.7
 Net operating profit after taxes (NOPAT),
 §5.2(f)(ii)
 Net operating profit less adjusted taxes
 (NOPLAT), §5.2(f)(vi)
 New Market Tax Credit (NMTC):
 and abusive tax shelters, §7.5
 allocation of, §§13.6(d), 13.6(e), 13.6(k)
 amend allocation agreement request,
 §13.6(x)
 compliance and qualification checklist,
 App. 13A
 compliance monitoring, §13.6(c)
 and energy tax credits, §13.10(f)
 and FAQs 42, 43 and 44, §13.6(g),
 13.6(x)
 and Gulf Zone Opportunity Act of
 2005, §13.9
 leveraged structure, §13.6(s)
 low-income community, §§13.6(l),
 13.6(o)
 management services provided by
 tax-exempt CDFIs, §13.6(t)
 nonprofit use of, §13.6(w)
 non-real-estate businesses, §13.6(l)
 and other federal subsidies, §13.6(h)
 overview, §§1.5, 13.6(a)
 qualified active low-income community
 business, §13.6(i)
 and phase-two development, §13.6(i)
 and principal repayment reinvestment,
 §13.6(x)
 and title holding corporation, §13.6(x)
 qualified CDE, §13.6(e)
 qualified equity investments, §13.6(f)
 qualified low-income community
 investments, §13.6(g)
 reasonable expectation test, §13.6(r)
 recapture, §§13.6(l), 13.6(q)
 reinvestment of principal payment,
 §13.6(x)
 reportable transactions, §§13.6(x), 13.8
 residential rental property, §13.6(k)

- substantial improvement of rental property, §13.6(j)
- substantially-all requirement, §13.6(q)
- supporting documentation, §13.6(x)
- targeted populations, §13.6(p)
- timing rules, §13.6(m)
- transaction closing, §13.6(u)
- transaction exiting, §§13.6(v)(i)–13.6(v)(iii)
- Nongovernmental organizations (NGOs), §17.1
- Nonrecourse deductions, partnership allocations, §§3.6(b), 3.8(c)
- Nonrecourse loans, §18.7(a)
 - community development entities, §13.6(s)
 - limited individual recourse guaranty, §18.7(c)
 - and at-risk rules, low-income housing tax credit, §13.3(l)
- Notice of Allocation Availability (NOAA), §13.6(d)

O

- Office of Faith-Based and Community Initiatives, §1.5
- Operating agreements:
 - drafting, §12.3(d)(viii)
 - joint operating agreements, §§12.2, 12.7(a)–12.7(e)
- Operational test:
 - operating exclusively for exempt purposes, §2.3(b)(i)
 - private benefit test, §§2.3(b)(i), 2.3(b)(ii)
 - private inurement prohibited, §2.3(b)(ii)
 - statutory requirements, generally, §2.3(b)
- Option to purchase, §§11.4(b)(ii), 18.4(b)(iii)
- Organization structure, §2.10
- Organizational test:
 - articles of incorporation, §2.3(a)
 - dedication of assets, §2.3(a)(ii)
 - exclusively organized for exempt purposes, §2.3(a)(i)
 - statutory requirements, generally, §2.3
- Outside basis, outside, §3.8(b)(i)

P

- Participating loans, §§18.4(b)(i)–18.4(b)(iii)
 - case law, §18.4(b)(i)
 - contingent interest, §18.4(b)(ii)
 - debt-equity classification, §18.4(b)
 - overview, §18.4(a)
- Participation policy, model for, App. 4B
- Partnership audit rules, §§1.15(a), 3.12(f)
- Partnership taxation:
 - allocation of profits, losses, and credits, §3.6 (*see also* Allocation)
 - anti-abuse regulations, §3.12(g)
 - at-risk limitations, §3.12(d)
 - bargain sales, §§1.15(b), 3.11(e)
 - basis in partnership interests, §3.8
 - brownfield properties, §16.4(b)
 - “burned-out” shelters, §3.11(f)
 - cancellation-of-debt income, §19.7(b)
 - check-the-box regulations, §§3.3(b)–3.3(e)
 - classification as partnership, §3.3
 - conflict with fiduciary duties, §3.3(f)(vii)
 - cost recovery (MACRS), §3.9(c)
 - de minimis* rules, §9.6(c)
 - debt-financed property, §§ 9.4–9.7
 - deductions, partner-specific, §9.6(d)
 - and disregarded entities, §6.2(c)(iv)
 - distributions, §3.10
 - distributions, liquidation of, §3.11(d)
 - foreign partnerships, §3.12(h)
 - fractions rule, §§9.4–9.7
 - guarantees, penalties, and capital calls, §3.13
 - liability and private benefit issues, §§3.3(f)(ii), 3.3(f)(iii)
 - liquidating distributions, §3.11(d)
 - loss deferral rules, tax-exempt use property, §11.6(j)
 - nonrecognition rules and exceptions, §3.7(a)
 - operations, §3.9(a)
 - organizational expenses, §3.9(b)
 - overall income and loss, §9.6(b)
 - overview, §§1.15(a), 3.1
 - passive activity loss limitations, §3.12(c)
 - pass-through system, §3.5
 - and PLR 9736039, §3.3(f)(v)
 - profit motive test, §3.12(a)
 - property ownership, §3.12(b)
 - qualification as partnership, §3.2

- Partnership taxation (*contd.*)
 - reporting requirements, §3.12(e)
 - sale or other disposition of assets, §3.11(a)
 - sale or other disposition of partnership interests, §§3.11(b), 11.6(e)
 - services contribution, in exchange for partnership interest, §3.7(b)
 - subchapter K intent, §§3.12(g)(i), 3.12(g)(ii), 3.12(g)(iv)
 - tax shelter registration, §3.12(e)
 - tax-exempt entity leasing rules, §§11.6(a)–11.6(j)
 - termination of partnership, §3.11(c)
 - transactions between partner and partnership, §3.9(d)
 - two-prong test for classification, §3.3(f)
 - unified audits and adjustments, §3.12(f)
 - unlikely losses and deductions, §9.6(f)
 - unrelated business income (*see* Unrelated business income tax (UBIT))
- Partnerships:
 - alternatives to, §3.4
 - assets, sale or disposition of, §3.11
 - check-the-box regulations, §§3.3(b)–3.3(e), 13.3(g)(i)
 - classification as, §3.3
 - classification changes, §3.3(b)(iii)
 - with commercial entities, §5.2(c)
 - defining, §1.2
 - effective dates, §9.6(j)
 - eligible entities, §3.3(b)
 - exempt organization as general partner, §§4.2(a)–4.2(j)
 - exempt organization as limited partner, §4.3
 - formation of, §3.7
 - intent of parties, §3.2(a)
 - limited partnerships, §3.2(b), 4.3
 - low-income housing joint ventures, §§1.5, 11.6(f) (*see also* Low-income housing tax credit (LIHTC))
 - with other exempt organizations, §1.12
 - per se entities, §3.3(b)
 - qualification as, §3.2
 - representative, §3.12(f)(i)
 - taxation (*see* Partnership taxation)
 - tax-exempt entity leasing rules, §§11.6(a)–11.6(j)
 - termination of, §§3.11(c), 9.4
 - tiered, §9.6(i)
 - and unrelated business income tax (UBIT), §8.6
- Partnership-unified audits, §3.12(f)
- Passive activity losses:
 - and burned-out shelters, §3.11(f)
 - limitations on, §3.12(c)
 - and low-income housing, §13.3(c)
- Pass-through tax treatment, §3.5. *See also* Limited liability companies (LLCs); Partnership taxation
- “PATH” Act, 2016, §13.10(g)
- Patient Protection and Affordable Care Act (PPACA), §§1.3, 12.1, 12.4(d), 12.11(a)
 - accountable care organizations (ACOs), §§12.12(a), 12.12(b)
 - CO-OPs, §§12.12(a), 12.12(c)
 - statutory changes affecting nonprofit hospitals, §§12.11(a)–12.11(e)
- Penalties. *See* Sanctions
- Penalty provisions, §3.13
- Pension funds. *See* Private pension funds
- Pension Protection Act (PPA), §§2.8(a), 6.3(d)(ii)(A), 6.4
 - conservation organizations and, §16.3(c) interest, §8.5(c)
- Pension trusts and debt-financed property, section 514(c)(9) exception, §9.3
- Per se* prohibition, §4.2(b)
- Permanent loans, §18.3(d)
- Personal property, tax exempt use, §11.4(c)
- Planning guidelines for organizations
 - subject to intermediate sanctions, §5.6
- PLR 9731038, §3.13(e)(ii)
- Plumstead* doctrine, §§1.8, 4.2(c), 4.2(d), 4.2(b), 4.2(h)(ii), 4.2(i)(i), 10.1, 12.3(b), 12.3(d)(vii), 12.7(a), 13.7(b), 17.9
- Plumstead Theatre Society Inc. v. Commissioner*, §§4.2(b), 5.2(c)
- Political activities. *See also* Legislative activities
 - and 501(c)(4) organizations, §2.3(c)(ii)(A)
 - absolute prohibition, §2.3(c)(ii), 2.3(c)(ii)(B)
 - basic definitions, §2.3(c)(ii)(A)
 - churches and, §2.3(c)(ii)(A)
 - Form 990 reporting, §2.9(i)(i)
 - Internet, §2.3(c)(ii)(A)1

INDEX

- Lobbying Disclosure Act (LDA) of 1995, §2.3(c)(iii)
- Political Activity Compliance Initiative (PACI), §2.3(c)(ii)(A)
- Pouring Rights, §14.6(b)(iv)
- Section 527 disclosures, §2.3(c)(ii)(C)
- Preferred returns:
 - debt-financed property, §1.18(a)
 - fractions rule, §§1.18(b), 9.6(a), 9.6(c)
 - tax-exempt entity leasing rules, §1.18(c)
- Price/sales ratio (PSR), §5.2(f)(iv)
- Private benefit:
 - asset sales to insiders, §5.2(e)
 - business leagues, §15.1(a), 15.2(e)
 - compensation for services, §5.2(a)
 - and conversion from tax-exempt to for-profit entity, §4.11
 - distinction from private inurement, §5.1(c)
 - financial transactions characterized as, §5.2
 - healthcare joint ventures, §§12.3(b)(iii), 12.3(d)(iv), 12.3(d)(v)
 - insiders, §5.7
 - intermediate sanctions, §§5.1(a), 5.4–5.6
 - joint ventures with commercial entities, §5.2(c)
 - loans, §5.2(b)
 - and low-income housing projects, §13.3(c)(iii)
 - operational test, §2.3(b)(i)
 - overview, §1.21, 5.1(a)
 - primary vs. secondary benefit, §5.1(c)
 - private inurement distinguished, §2.3(b)(ii)
 - prohibited, §2.3(b)(ii)
 - and spin-offs, §6.3(e)
 - university faculty research joint ventures, §14.5
 - and use of tax-exempt bonds, §5.2(g)
 - and valuation issues, §5.2(f)
 - weighing against charitable purpose, §4.2(d)(ii)
- Private foundations:
 - defined, §10.2
 - excess business holdings, §1.22
 - excise taxes, §10.1
 - grantmaking rules, foreign organizations, §§17.5(b), 17.9
 - as members of LLCs, §6.2(d)
 - investments in LLCs, §6.2(d)
 - program-related investments, §6.5 (*see also* Program-related investments (PRI))
 - taxable expenditures, defined, §17.5(b)
- Private inurement rules, §§2.3(b)(i), 2.3(b)(ii)
 - and accountable care organizations, §12.12(b)(iv)
 - business leagues, §§15.1(a), 15.2(e)
 - compensation for services, §5.2(a)
 - distinction from private benefit, §§2.3(b)(ii), 5.1(c)
 - financial transactions, §5.2
 - healthcare joint ventures, §§4.2(i)(i), 12.3(b)(iii)
 - insiders, §§4.2(ii), 5.1(b), 5.2(e), 5.7, 12.3(b)(iii)
 - intermediate sanctions, §§5.1(a), 5.4–5.6
 - joint ventures with commercial entities, §5.2(c)
 - loans, §5.2(b)
 - and low-income housing projects, §13.3(c)(iii)
 - per se private inurement, §5.2(d)
 - and profit-making activities, §5.3
 - and spin-offs, §6.3(e)
 - and tax-exempt bonds, §5.2(g)
 - university faculty research joint ventures, §14.5
 - and valuation issues, §5.2(f)
- Private pension funds, §18.2(a)
- Profit making activities, §§5.3, 5.3(a), 5.3(b)
- Profit motive:
 - historic rehabilitation credit, §13.4(f)
 - profit motive test, §3.12(a)
 - and unrelated business income tax (UBIT), §§8.3(b)(i), 8.3(b)(i)(A)
- Program-related investments (PRI), §§1.14, 6.5(a)(b), 6.7(b)
 - examples, §§6.5(b)(i)–6.5(b)(ix)
 - and 2016 examples 11–19, §6.5(c)
 - and excess business holdings, §§10.4, 10.4(b)
 - foreign charitable programs, §17.9
 - overview, §6.5(a)
 - Proposed Regulations, §6.5(b)
 - requirements for, §6.5(a)
 - risks, §6.5(c)
- Proportionate share rule, §2.9(j)(ii)

Q

Qualified acquisition indebtedness,
 §13.6(v)(i)(B)
 Qualified active low-income community
 business (QALIB), §§1.5, 13.6(i), 13.6(j),
 13.6(k), 13.6(p)
 indebtedness, cancellation of,
 §13.6(v)(i)(A)
 indebtedness, equity vs., §13.6(v)(ii)
 nonprofits as, for NMTC allocation,
 §13.6(w)(ii)(B)
 tax issues, §13.6(v)(i)
 use of nonprofit as, §13.6(v)(iii)
 Qualified allocations rule, §9.4
 Qualified Conservation (*see also*
 Conservation)
 and partnership and disguised sale issue,
 §16.7(e)
 and penalties and burden of proof,
 §16.3(d)(ii)
 and Route 231 LLC, §16.7(e)
 and SWF Real Estate LLC Route, §16.7(e)
 Qualified Conservation contributions
 Farmers and Ranchers, §16.3(c)
 Qualified conservation easements,
 §16.3(a)
 and enforceable in perpetuity, §16.3(b)
 Qualified conservation valuation issues,
 §16.3(d)(i)
 Qualified equity investment (QEI),
 §§13.6(f), 13.6(s)
 Qualified low-income community
 investments (QLICI), §§13.6(g), 13.6(i),
 13.6(j), 13.6(k), 13.6(p), 13.6(s),
 13.6(w)(ii)(B)
 and Use restrictions regarding repayment
 or refinancing of debt or equity, §13.6(x)
 Qualified real property business
 indebtedness, §13.6(v)(i)(B)

R

Real Estate Investment Trusts (REITs),
 §8.5(c)
 Real property:
 exempt organization as ground lessor
 (*see* Ground lessor, exempt
 organization as)
 historic (*see* Historic investment tax
 credit)

low-income housing (*see* Low-income
 housing)
 Real Estate Investment Trusts
 (REITs), §8.5(c)
 tax-exempt use property, §11.4(a)
 undeveloped land, sale of (*see*
 Undeveloped land, sale of)
 Reasonable expectation test, §13.6(r)
 Recapture of credits, §13.6(q)
 historic investment tax credit,
 §§13.3(r), 13.4(d)
 low-income housing tax credit, §13.3(k)
Redlands Surgical Services v. Commissioner,
 §§4.2(f), 4.6(a)–4.6(c), 12.3(b)(iv),
 12.3(d)(iii), 12.3(d)(vii), 12.3(d)(viii),
 12.3(d)(ix)
 Regional health information organizations
 (RHIOs), §12.4(f)
 Rehabilitation of historic structures.
 See Historic investment tax credit
 Related party, §3.9(d)(ii)
 Religious organizations, §§2.2, 2.3(c)(ii)(A)
 defining, for exempt status, §2.5(c)
 Renewal Communities program, §1.5
 Rent. *See also* Ground lessor, exempt
 organization as
 and low-income housing tax credit,
 §13.3(f)(ii)
 and unrelated business income tax
 (UBIT) §§4.7(c)(ii), 8.5(c), 9.1, 18.2(a),
 18.2(c), 18.5(a), 18.5(b)(i)–18.5(b)(ii)
 (*see also* Debt-financed property)
 Rental activity, defined, §3.12(c)
 Rental property, residential, §13.6(k)
 Reporting requirements, §5.4(d)
 benefit transactions, §5.4(b)
 nonprofit hospitals, §12.9(b)(i)
 partnerships, §3.12(e)
 reportable transactions, §7.2(b)
 Research and development expenses, §14.8
 Return of capital provisions, §3.13(b)
 Revenue Rulings:
 58–294, §15.2(d)
 63–252, §17.2(b)
 67–292, §16.2(a)
 70–186, §16.2(a)
 70–585, §4.2(d)(ii)
 76–204, §16.2(a)
 76–296, §14.4(a)(i)
 78–85, §16.2(a)

INDEX

- 97–21, §12.4(c)(i)
- 98–15, §§1.8, 3.3(f)(iv), 4.2(ii), 4.2(e), 4.5, 4.6(a), 4.6(c), 6.2(a), 8.6, 10.1, 12.3(d)(i)–12.3(d)(x), §§12.8, 13.3(c)(iii), 14.7(c), 17.9
- 99–5, §6.2(c)(iv)
- 99–6, §6.2(c)(iv)
- 99–43, §3.6(a)(ii)
- 2003–20, §13.6(s)
- 2004–51, §§1.10, 4.6, 6.2(a), 8.3(b)(iii)(A), 14.1(a)(i)–14.1(a)(iii), 15.3(b)
- 2004–82, §13.3(q)
- 2006–27, §4.2(d)(ii)
- 2009–32, §6.4
- Revenue sharing, §§12.3(c)(ii)(B), 12.4(a)
- Revised Uniform Limited Partnership Act (RULPA), §3.9(a)
- Revocation of exempt status, §§12.3(b)(vi), 12.3(c)
 - and automatic stay in bankruptcy, §19.3(h)
 - healthcare joint ventures, §§12.4(e), 12.6(b)
- Road map to educate for-profit counsel, §4.2(h)
- Royalties:
 - on mailing list sales, §14.7(e)
 - and university faculty joint ventures, §14.5
 - and unrelated business income tax (UBIT), §8.5(d)
- S**
- S corporations:
 - compared to limited liability companies (LLCs), §6.2(b)(iii)
 - wholly-owned entities as, §6.2(c)(ii)
- Safe harbors:
 - Antikickback statute, §§12.4, 12.4(b), 12.4(d), 12.4(e), 12.13
 - and board of directors for independent delivery systems (IDS), 12.3(b)(i)
 - classification as, §3.3(f)(ii)
 - de minimis associate member dues, §8.8
 - and low-income housing, §4.2(d)(ii)
 - and low-income housing tax credits, §§13.7(a)–13.7(h)
 - reasonable guaranteed payment amount, §9.6(c)(iii)
- Sale-leaseback transactions:
 - and ground lease with leasehold mortgage, §18.5(c)
 - and option to purchase, §§11.4(b)(iv), 18.4(b)(iii)
- Sanctions:
 - compensation, §5.4(c)
 - disqualified person, §5.4(a)
 - excess benefit transactions, §5.4(b)
 - indemnification agreements, use of, §5.4(e)
 - intermediate sanctions (*see* Intermediate sanctions)
 - Patriot Act, §17.3(a)(i)(B)
 - reporting requirements, §5.4(d)
 - state legislation, §5.7
- Sarbanes-Oxley Act, §2.7
- Scheidelman v. Commissioner*, §16.3(d)(ii)
- Scientific organizations, §2.2
 - commercial or industrial operations, §§2.5(e), 2.5(e)(ii)
 - defining, for exempt status, §2.5(e)
 - general public interest, §§2.5(e), 2.5(e)(iv)
 - scientific research, §§2.5(e), 2.5(e)(i) (*see also* Scientific research)
 - specific public interest, §§2.5(e), 2.5(e)(iii)
 - tests for, §2.5(e)
- Scientific research, §§2.5(e), 2.5(e)(i), 14.3, 14.4, 14.4(a)–14.4(d)
- Second mortgage loans, §18.3(c)
- Section 501(c) organizations, §2.2
- Section 501(c)(3) organizations, §2.4
 - application for exemption, §2.6
 - categories of, §2.5
 - charitable, §§2.2, 2.5(a)
 - charitable class, benefit to, §2.4(a)
 - churches, §§2.2, 2.3(c)(ii)(A)
 - commensurate test, §2.3(b)(iii)
 - conflicts of interest, §2.7
 - document retention and destruction, §2.7
 - economic development organizations, §2.5(a)(i)(B)
 - educational organizations, §§2.2, 2.5(d)
 - ethics and whistleblower policy, §2.7
 - executive compensation, §2.7
 - feeder organizations, §2.3(d)
 - financial statements, §2.7

INDEX

- Section 501(c)(3) organizations (*contd.*)
 - foreign organizations, §17.6
 - fundraising, §2.7
 - governance guidance and management, §2.7
 - investments, §2.7
 - joint venture policy, §2.7
 - legislative and political activities prohibited, §2.3(c)
 - literary organizations, §2.2
 - lobbying activity and contacts, §2.3(c)(i)(B)
 - Lobbying Disclosure Act (LDA) of 1995, §2.3(c)(iii)
 - low-income housing, §2.5(a)(i)(A)
 - mission, §2.7
 - nonprofit, distinguishing from for-profit (IRS theory), §2.5(b)
 - nonprofit use of NMTCs, §13.6(w)
 - operation contrary to public policy prohibited, §2.4(b)
 - operational test, §§2.3(b), 2.3(b)(i), 12.3(b)(iv), 13.6(t)(ii)
 - organization documents, §2.7
 - organizational test, §§2.3(a), §2.3(a)(i), §2.3(a)(ii), 13.6(t)(ii)
 - Political Activity Compliance Initiative (PACI), §2.3(c)(ii)(A)2
 - promotion of health, §2.5(a)(ii)
 - for public safety testing, §2.2
 - relief of the poor, §2.5(a)(i)
 - religious organizations, §§2.2, 2.3(c)(ii)(A), 2.5(c)
 - scientific organizations, §§2.2, 2.5(e)
 - statutory requirements, §2.3
 - supporting organization status, §13.6(t)(ii)
 - transparency and accountability, §2.7
 - types, §2.2
 - use of low-income housing tax credit, §2.5(b)
- Section 501(c)(4) organizations, §2.1
 - and political activities, §§2.3(c)(ii)(A), 2.3(c)(iii)
 - use of low-income housing tax credit, §2.5(b)
- Section 501(c)(6) organizations, §§15.1(a), 15.1(c). *See also* Business leagues
- Section 501(r), §§12.11(a)–12.11(e)
- Self-dealing, §5.1(b)
- Services:
 - compensation for, §5.2(a)
 - fees for, §5.3(b)
 - service contracts, §11.6(i)
- Sham charities, §5.7(a)
- Sham transaction doctrine, §7.2(a)(i)
- Shared services agreements, §1.19
- Short sales, acquisition indebtedness, §9.2(c)
- Sierra Club v. Commissioner*, §§8.5(d)(ii)(B)–8.5(d)(ii)(D)
- Single-member limited liability companies (SMLLCs):
 - benefits of, §6.2(c)(iii)
 - charitable contributions to, §2.11(e)
 - conversions of, §6.2(c)(iv)
 - formed by private foundations, §6.2(d)
 - as subsidiaries, §6.3(c)
 - wholly-owned entities as, §6.2(c)(iii)
- Small business investment companies (SBICs), §§1.5, 6.3(a)(ii)
- Social benefit corporations, §§2.12, 6.7(b)
- Social impact bonds, §6.6(b)
- Social media, in cause-related marketing, §2.11(g), 6.8(f)
- Social welfare organization, Form 1023, §2.6(c)
- Sonora Community Hospital v. Commissioner*, §12.4(a)
- Spin-offs, §6.3(e)
- Sponsorships, corporate:
 - overview, §§4.2(j)(ii), 8.4(h)
 - rules, §8.4(i)
- St. David's Health Care System v. United States*, §§4.2(f), 4.6(a)–4.6(c), 12.3(b)(v)
- Sta-Home Health Agency of Carthage Inc., et al v. Commissioner*, §12.6(b)
- Stark Law, §§12.4, 12.4(d), 12.13
- State enforcement action, FTC, §5.7(a)
- State legislation, §2.12
 - conservation organizations, §16.7(d)
 - and convertibility of loans, §18.4(c)(ii)
 - historic investment tax credit, §13.4(h)
 - insider transactions, §5.7
 - low-income housing tax credits, §13.3(p)
- State Police Association of Mass. v. Commissioner*, §8.3(b)(ii)(B)
- Statutes, state, bulletproof vs. flexible, §6.2(a)(i)

INDEX

- Step-transaction doctrine, §7.2(a)(v)
 - Stock options, valuation, §5.2(f)(vii)
 - Streamlined retroactive reinstatement, §2.8(a)
 - Structure of joint ventures, §1.11
 - exempt organization as general partner, §§4.2(a)–4.2(j)
 - favorable factors, §4.2(h)(i)
 - guidance, §4.6(f)
 - healthcare, §§12.2, 12.5(d) (*see also* Healthcare joint ventures)
 - limited liability companies, §§1.2, 1.8, 4.3, 4.4
 - overview, §§1.8, 4.1
 - partnerships (*see* Partnerships)
 - unfavorable factors, §4.2(h)(ii)
 - Subchapter K, §§3.12(g)(i)–3.12(g)(iv)
 - Subsidiaries, §11.3(c)
 - and healthcare joint ventures, §12.3(d)(x)
 - intangibles, licensing, §1.20
 - for-profit subsidiaries, §6.3
 - reasons for use of, §§6.3(a)(i)–6.3(a)(iii)
 - separate legal entity requirement, §§6.3(b), 8.5(h)(i), 8.5(h)(iii)
 - single-member nonprofit LLCs, §6.3(c)
 - spin-offs, §6.3(e)
 - structuring joint ventures, §1.8
 - tax-exempt leasing rules, §11.3(c)
 - UBIT implications applicable to, §6.3(d)
 - unrelated business income tax and, §§1.16, 1.17, 6.3(d), 6.3(d)(i)–6.3(d)(iii), 8.5(h)(i)
 - and unrelated business income tax (UBIT), §§1.16, 1.17, 6.3(d)(i)–6.3(d)(iii), 8.5(h)(i)
 - use of, as participant in joint venture, §§1.17, 6.3, 14.7(a), 17.11(c)
 - use of minority enterprise small business investment companies (MESBICs), §6.3(a)(ii)
 - Subsidies, federal:
 - and low-income housing, §13.3(h)
 - and New Market Tax Credit, §13.6(h)
 - Substance-over-form doctrine, §7.2(a)(iv)
 - Substantial economic effect test:
 - economic effect, §3.6(a)(i)
 - overview, §3.6(a)
 - substantiality test, §3.6(a)(ii)
 - and tax-exempt use property, qualified allocations, §11.6(c)
 - “Substantially related” charitable activity, §§4.6(c), 8.3(b)(iiii)
 - Substantially-all requirement, §13.6(q)
 - Supporting organizations, §§6.4, 10.2
- T**
- Targeted populations, §13.6(p)
 - Tax Avoidance Transaction Settlement Initiative, §16.3(e)
 - Tax Basis in Partnership Interest Inside basis 754 election, §3.8(b)(ii)
 - Tax classification. *See* Check-the-box regulations
 - Tax Credit Assistance Program (TCAP), §13.3(d)
 - Tax credits:
 - codification of economic substance doctrine, §13.1(d)
 - empowerment zone employment credit, §13.5(b)(ii)
 - energy tax credits, §§13.10(a)–13.10(f)
 - historic investment tax credit, §§13.1(c), 13.4(a)–13.4(g)
 - investment tax credit, §14.8
 - low-income housing (*see* Low-income housing tax credit (LIHTC))
 - New Market Tax Credit (*see* New Market Tax Credit (NMTC))
 - nonprofit-sponsored low income housing, §13.2
 - and tax shelter transactions, §7.5
 - tax-exempt property, §11.5(c)
 - Tax exemption, foregoing, §6.8(c)
 - Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 (2010 Act), §13.9
 - Tax shelter registration, §3.12(e)
 - And prevention of abusive tax shelters, §7.2(b)(ii)
 - Tax shelter transactions, exempt organizations as accommodating parties:
 - business purpose doctrine, §7.2(a)(iii)
 - categories of abusive tax shelters, §7.2
 - disclosure requirements, §7.2(b)
 - economic substance doctrine, §7.2(a)(ii)
 - excise taxes and penalties on, §7.3

INDEX

Tax shelter transactions, exempt organizations as accommodating parties: (*contd.*)
 judicial doctrines, §7.2(a)
 overview, §§1.7, 7.1
 reportable transactions, §7.2(b)
 settlement initiatives, §7.4
 sham transaction doctrine, §7.2(a)(i)
 step-transaction doctrine, §7.2(a)(v)
 substance-over-form doctrine, §7.2(a)(iv)
 and tax credit programs, §7.5
 Tax treaties, §§17.10, 17.11, 17.11(a)–17.11(b)
 Tax-exempt bonds. *See* Bonds
 Tax-exempt entity, defined, §11.3(c)
 Tax-exempt entity leasing rules. *See* Leasing rules, tax-exempt organizations
 Tax-exempt financing, §§11.4(b)(i), 13.3(e)
 Tax-exempt organizations (nonprofits). *See also* Section 501(c) organizations; Section 501(c)(3) organizations
 exemption parameters, §13.6(w)(iv)
 planning for economic hardship, §19.1(a)
 use of NMTC allocations, §13.6(w)
 Tax-exempt use property, §§11.4(a)–11.4(d), 11.5(a)–11.5(e)
 Terrorism and terrorist activities, §17.1. *See also* International joint ventures
 Anti-Terrorist Financing Guidelines, §§17.3(a)(i)(C), 17.3(a)(i)(D)
 Financial Anti-Terrorism Act (FATA), §17.3(a)(i)(B)
 nonprofits and, §17.3(b)
 Third-party standard, §6.7(c)
 Title-holding companies:
 as alternative to partnerships, §3.4(b)
 debt-financed property, section 514(c)(9) exception, §9.3
 Trade and professional organizations. *See* Business leagues
 Trade or business, defined, §8.3(b)(i)
 Trade show activity, qualified, §15.3(c)
 Transactions with Related Organizations reporting requirements, §7.2(b)(vii)
 Transfer of IP to taxable subsidiary, §6.3(b)(v)

Transfer of tax credits, disguised sale, §3.9(d)(ii)
 and 213 LLC *v. Commissioner*, §3.9(d)(ii)
 Travel tours, §8.5(e)
 Triple-bottom-line organizations, §6.8(e)

U

Undeveloped land, sale of, §§18.6(b)(i)–18.6(b)(vi)
 alternative uses of property, §18.6(b)(iii)
 excess business holding rules, §18.6(c)
 participating ground lease as alternative, §18.6(d)
 private letter rulings, §18.6(b)
 taxable subsidiary, use of, §18.6(e)
 unrelated business income considerations, §§18.6(a), 18.6(a)(i)–18.6(a)(vi)
 Uniform Limited Partnership Act (ULPA), §3.9(a)
 Uniform Partnership Act (UPA), §3.9(a)
United Cancer Council (UCC), Inc. v. Commissioner, §§3.3(f)(vi), 5.1(b), 5.2(c), 5.4(a)(iii)
United States v. American College of Physicians, §8.3(b)(iii)(B)
 Universities and colleges. *See also* Educational organizations
 affinity credit cards (*see* Affinity credit cards)
 ancillary joint ventures, §14.1
 audits, §§4.2(j)(i), 4.2(j)(iii), 8.8(e), 14.3, 14.7(f)(ii)
 bookstores, §§14.7(d), 14.9
 boost theory, §14.6(b)(v)(B)
 compensation issues, §14.3
 compliance initiative, §14.3
 compliance project, §4.2(j)(iii)
 corporate sponsorship, §14.6(b)(iii)
 corporate sponsorships, §4.2(j)(ii)
 and creative planning for increasing revenue, §14.1
 credit cards, §14.7(e) (*see also* Affinity credit cards),
 distance learning, §§1.4, 8.5(g), 14.1, 14.7(c), 14.7(d)
 education travel tours, §1.4
 endowment audits, §14.7(f)(ii)

- endowment fund reporting, §§14.2, 14.7(f)(i)–14.7(f)(ii)
- endowments, §§1.4, 14.7(f)
- entertainment activities, §§14.6(b), 14.6(b)(i), 14.9
- exclusion for income derived from research, §14.4
- faculty, joint ventures with, §14.5
- fitness centers, §14.6(b)(vi)
- Form 990 reporting, §14.2
- housing, §14.7(b)
- international programs and investments, §17.12(c)
- Internet issues, §14.7(d)
- IRS compliance project for, §§8.8(e), 12.1, 17.12(c)
- joint ventures, §§1.4, 14.1, 14.1(a)
- joint ventures, nonresearch, §§14.6(a)–14.6(c)
- joint ventures with other exempt organizations, §§4.4, 14.6(c)
- logos, §14.7(e)
- mailing lists, §14.7(e)
- massive open online courses (MOOCs), §§14.1, 14.7(c)(ii)
- Pouring Rights contracts, §14.6(b)(iv)
- research, income derived from, §§14.3, 14.4
- research joint ventures, §§14.4, 14.8
- royalties, §14.5
- scientific research, §§14.3, 14.4, 14.4(a)–14.4(d)
- sports activities, §§14.6(b), 14.6(b)(ii), 14.6(b)(iii)
- structure of joint ventures, §§14.7(a)–14.7(f)
- travel tours, §§1.4, 8.5(e), 14.6(b)(v), 14.6(b)(v)(A), 14.6(b)(v)(B)
- unrelated business income tax, §§1.4, 4.2(j)(i), 4.2(j)(ii), 14.1, 14.1(a), 14.3, 14.4
- Unrelated business activity, §4.6(c)
- Unrelated business income tax (UBIT), §§18.6(a), 18.6(a)(i)–18.6(a)(vi)
 - and accountable care organizations, §12.12(b)(v)(B)
 - activities for convenience of members, exception for, §8.4(b)
 - activity regularity, §§8.3(b)(ii)(A)–8.3(b)(ii)(B)
 - and ancillary joint ventures, §12.3(d)(ix)
 - application, example of, §8.5(f)
 - bingo games, exception for, §8.4(g)
 - business leagues, §§15.1(a), 15.1(b), 15.3(a)–15.3(d)
 - calculation of, §§4.7(d), 8.7, 8.7(a), 8.7(b)
 - case law, §§8.3(b)(ii)(B), 8.3(b)(iii)(B)
 - certification provisions, §8.8(c)
 - and commercialism, §8.1(a)
 - commercialism, §8.1(a)
 - and control test, §4.6(a)
 - controlling exempt organizations, payments to, §8.8(a)
 - corporate sponsorship exception, §§8.4(i), 8.4(h), 14.6(b)(iii)
 - debt-financed property, §§1.15(a), 1.16, 8.5, 8.5(a), 9.2(a), 9.4
 - dividends, §8.5(b)
 - donated merchandise, exception for sale of, §8.4(c)
 - dues, associate member, §§8.4(j), 8.8
 - and endowment funding, §§14.7(f)(i)–14.7(f)(ii)
 - exceptions, §§8.4(a)–8.4(j)
 - exclusion for income derived from research, §14.4
 - expenses, §§8.7(b)(i), 8.7(b)(ii)
 - exploited activity rule, §8.7(b)(ii)
 - FIN 48, §8.8(d)
 - general rule, §8.3
 - hospital services, exception for, §8.4(f)
 - impact of, §8.1(b)
 - income from debt-financed property (*see* Debt-financed property)
 - insurance programs for members, §8.5(d)(i)
 - interest, §§1.14, 1.16, 4.7(c), 8.5(a), 18.2(c), 18.2(a), 18.4(a), 18.4(b), 18.4(d)
 - Internet activities, income from, §8.5(g)
 - IRS compliance project for colleges and universities, §8.8(e)
 - legislative history and historical background, §8.2
 - legislative initiatives, §§8.8, 8.8(a)–8.8(b)
 - lenders and ground lessors, §§1.14, 18.2(a)
 - limited liability companies vs. C corporations, §§6.2(b)(ii), 6.2(c)(iii)
 - liquidations, §6.3(e)

INDEX

Unrelated business income tax (*contd.*)
loan commitment fees, §18.4(d)
loan service and commitment fees,
§18.4(d)
low cost articles exemption, §8.3(b)(i)
mailing lists, affinity cards, names, and
logos, payment for, §8.5(d)(ii)
modifications to definition of, §8.5
organization subject to, §8.3(a)
partnership activities, §§1.16, 4.7(b), 8.6
and partnership allocations, §13.3(c)(iii)
partnerships with other exempt
organizations, §1.12
and Pension Protection Act, §8.5(c)
and *Plumstead* doctrine, §12.3(d)(vii)
profit motive, §§8.3(b)(i), 8.3(b)(i)(A)
and profit-making activities, §5.3
provision of services, §18.5(b)(ii)
public disclosure of tax returns, §8.8(b)
qualified public entertainment activity,
exception for, §8.4(d)
qualified trade show activity, §15.3(c)
qualified trade show activity, exception
for, §8.4(e)
rent, §§1.14, 1.16, 4.7(c)(ii), 8.5, 8.5(c),
9.1, 18.2(c), 18.2(a), 18.5(a),
18.5(b)(i)–18.5(b)(ii)
royalties, §§8.5(d), 14.7(e)
and spin-offs, §6.3(e)
statutory exceptions to, §8.4
subsidiaries, §§1.16, 1.17, 6.3(d),
6.3(d)(i)–6.3(d)(iii), 8.5(h)(i)
substantially related activities,
§§8.3(b)(iii)(A)–8.3(b)(iii)(B)
“UBIT plus Control” test,
§§4.6(b)–4.6(d)
undeveloped land, sale of, §§18.6(a),
18.6(a)(i)–18.6(a)(vi), 18.6(b)
universities and colleges, §§1.4, 4.2(j)(i),
4.2(j)(ii), 14.1, 14.1(a), 14.3, 14.4
unrelated trade or business, defined,
§8.3(b)
volunteer activities, exception for,
§8.4(a)
Unrelated business income (UBI), §1.16
and advantages of equity ownership,
§18.2(b)

defined, §§4.7(a), 18.4(d)
dual-use facilities, §8.3(b)(i)(B)
healthcare joint ventures, §12.3(a)
reporting requirements, §8.1(b)
and tax-exempt entity leasing rules,
§11.2

Unrelated trade or business, §§1.16, 4.3(b),
8.3(b). *See also* Unrelated business income
tax (UBIT)

V

Valuation:

approaches, §12.4(h)
asset-based, §5.2(f)(v)
business enterprise value, §12.4(h)
capital asset pricing model, §5.2(f)(ii)
conservation easements, §16.3(d)
discounted case flow analysis, §5.2(f)(ii)
earnings-based methods, §5.2(f)(iii)
healthcare joint ventures,
§12.6(a)–12.6(e),
and intellectual property, §5.2(f)(v)
new-economy and Internet companies,
§5.2(f)
of perpetual conservation restriction,
§16.3(d)
purpose of determining, §5.2(f)(i)

Virtual joint venture analysis, 2004–51,
§§1.10, 4.10

W

Wall v. Commissioner, §16.3(b)

Websites. *See* Internet

*Whitehouse Hotel Limited Partnership, QHR
Holdings–New Orleans Ltd. v.
Commissioner*, §16.3(d)(i)

Whole-hospital joint ventures, §4.5(d)

Wholly-owned entities:

as C corporation, §6.2(c)(i)
conversions between partnerships and
disregarded entities, §6.2(c)(iv)
as S corporation, §6.2(c)(ii)
as single-member LLC, §6.2(c)(iii)

Wounded Warriors Project, §5.2(a)(i)