

114TH CONGRESS
1ST SESSION

H. R. 811

To amend the Internal Revenue Code of 1986 to provide notice to charities and other nonprofit organizations before their tax-exempt status is automatically revoked.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 9, 2015

Mr. YOUNG of Indiana (for himself and Ms. LINDA T. SÁNCHEZ of California) 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 provide notice to charities and other nonprofit organizations before their tax-exempt status is automatically revoked.

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 “IRS Notice for Organi-
5 zations That Include Charities is Essential (IRS NO-
6 TICE) Act”.

1 **SEC. 2. NOTICE REQUIRED BEFORE REVOCATION OF TAX-**
2 **EXEMPT STATUS FOR FAILURE TO FILE RE-**
3 **TURN.**

4 (a) IN GENERAL.—Section 6033(j) of the Internal
5 Revenue Code of 1986 is amended by redesignating para-
6 graphs (2) and (3) as paragraphs (3) and (4), respectively,
7 and by inserting after paragraph (1) the following new
8 paragraph:

9 “(2) REQUIREMENT OF NOTICE.—

10 “(A) IN GENERAL.—Not later than 300
11 days after the date an organization described in
12 paragraph (1) fails to file the annual return or
13 notice referenced in paragraph (1) for 2 con-
14 secutive years, the Secretary shall notify the or-
15 ganization—

16 “(i) that the Internal Revenue Service
17 has no record of such a return or notice
18 from such organization for 2 consecutive
19 years, and

20 “(ii) about the penalty that will occur
21 under this subsection if the organization
22 fails to file such a return or notice by the
23 date of the next filing deadline.

24 The notification under the preceding sentence
25 shall include information about how to comply

1 with the filing requirements under subsections
2 (a)(1) and (i).”.

3 (b) REINSTATEMENT WITHOUT APPLICATION.—
4 Paragraph (3) of section 6033(j) of such Code, as redesign-
5 nated under subsection (a), is amended—

6 (1) by striking “Any organization” and insert-
7 ing the following:

8 “(A) IN GENERAL.—Except as provided in
9 subparagraph (B), any organization”, and

10 (2) by adding at the end the following new sub-
11 paragraph:

12 “(B) RETROACTIVE REINSTATEMENT
13 WITHOUT APPLICATION IF ACTUAL NOTICE NOT
14 PROVIDED.—If an organization described in
15 paragraph (1)—

16 “(i) demonstrates to the satisfaction
17 of the Secretary that the organization did
18 not receive the notice required under para-
19 graph (2), and

20 “(ii) files an annual return or notice
21 referenced in paragraph (1) for the current
22 year,

23 then the Secretary may reinstate the organiza-
24 tion’s exempt status effective from the date of

1 the revocation under paragraph (1) without the
2 need for an application.”.

3 (c) EFFECTIVE DATE.—The amendments made by
4 this section shall apply to notices and returns required to
5 be filed after December 31, 2014.

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