

114TH CONGRESS  
1ST SESSION

# S. 400

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 SENATE OF THE UNITED STATES

FEBRUARY 5, 2015

Mr. COATS (for himself and Mr. CARDIN) introduced the following bill; which was read twice and referred to the Committee on Finance

---

## 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 “Notice for Organiza-  
5 tions That Include Charities is Essential (NOTICE) 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 subsection  
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.

○