

## Union Calendar No. 47

114<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 1314

[Report No. 114-67]

To amend the Internal Revenue Code of 1986 to provide for a right to an administrative appeal relating to adverse determinations of tax-exempt status of certain organizations.

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### IN THE HOUSE OF REPRESENTATIVES

MARCH 4, 2015

Mr. MEEHAN (for himself and Mr. ROSKAM) introduced the following bill;  
which was referred to the Committee on Ways and Means

APRIL 13, 2015

Additional sponsor: Mr. REED

APRIL 13, 2015

Reported with an amendment, committed to the Committee of the Whole  
House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italie*]

[For text of introduced bill, see copy of bill as introduced on March 4, 2015]

# **A BILL**

To amend the Internal Revenue Code of 1986 to provide for a right to an administrative appeal relating to adverse determinations of tax-exempt status of certain organizations.

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 “Ensuring Tax Exempt*  
5 *Organizations the Right to Appeal Act”.*

6 **SEC. 2. ADMINISTRATIVE APPEAL RELATING TO ADVERSE**  
7 **DETERMINATIONS OF TAX-EXEMPT STATUS**  
8 **OF CERTAIN ORGANIZATIONS.**

9 *(a) IN GENERAL.—Section 7123 of the Internal Rev-*  
10 *enue Code of 1986 is amended by adding at the end of the*  
11 *following:*

12 *“(c) ADMINISTRATIVE APPEAL RELATING TO ADVERSE*  
13 *DETERMINATION OF TAX-EXEMPT STATUS OF CERTAIN OR-*  
14 *GANIZATIONS.—*

15 *“(1) IN GENERAL.—The Secretary shall prescribe*  
16 *procedures under which an organization which claims*  
17 *to be described in section 501(c) may request an ad-*  
18 *ministrative appeal (including a conference relating*  
19 *to such appeal if requested by the organization) to the*  
20 *Internal Revenue Service Office of Appeals of an ad-*  
21 *verse determination described in paragraph (2).*

22 *“(2) ADVERSE DETERMINATIONS.—For purposes*  
23 *of paragraph (1), an adverse determination is de-*  
24 *scribed in this paragraph if such determination is ad-*  
25 *verse to an organization with respect to—*

1           “(A) the initial qualification or continuing  
2           qualification of the organization as exempt from  
3           tax under section 501(a) or as an organization  
4           described in section 170(c)(2),

5           “(B) the initial classification or continuing  
6           classification of the organization as a private  
7           foundation under section 509(a), or

8           “(C) the initial classification or continuing  
9           classification of the organization as a private op-  
10          erating foundation under section 4942(j)(3).”.

11          (b) *EFFECTIVE DATE.*—The amendment made by sub-  
12          section (a) shall apply to determinations made on or after  
13          May 19, 2014.



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