



Tax Reform and Nonprofits

What Church, Ministry, and Other Nonprofit Leaders
Need to Know Now

Forum Agenda

- Welcome and Introduction
- The good and bad of what wasn't in the final version of the bill that became law
- Discussion of overall impact of the new law on and reaction by the nonprofit sector
 - Possible impact on charitable giving – both individual and corporate
 - Failure to include a “universal” charitable contribution deduction
 - Implications and action items
- Changes to individual income tax rates and rules for itemizing deductions
 - Rate changes
 - Change in the standard deduction
 - Change to child tax credit
 - Repeal of the “Pease” limitation
 - Change to the medical expense deduction
 - Changes to the home mortgage interest deduction
 - Changes to deductions for state and local taxes
 - Repeal of moving expense deduction
 - Repeal of deduction for unreimbursed employee business expenses
 - New limits on charitable contribution deductions
 - Elimination of deduction for contributions to secure priority seating at college and university athletic events
- Changes to corporate income tax rates
 - Impact on unrelated business income tax for nonprofits
 - Impact on taxable subsidiaries and affiliate corporations
- Other corporate tax changes
 - Change to fixed asset expensing and depreciation rules
 - New limitation on deduction for interest expense

- Change to rules for offsetting losses from one activity with income from other activities
- Change to rules for net operating loss deductions
- Impact of corporate tax changes on
 - Unrelated business income tax for nonprofits
 - Taxable subsidiaries and affiliate corporations
- Planning opportunities and challenges
- New rules for taxation of income from pass-through entities (LLCs, partnerships, S-Corps, etc.)
 - Impact on taxation of investment income for nonprofits
 - Considerations if the nonprofit investor is not a corporation
- Elimination of the deduction for entertainment expenses
 - Impact on unrelated business income tax for nonprofits
 - Impact on taxable subsidiaries and affiliate corporations
- Elimination of the deduction for qualified transportation fringe benefits for employers
 - Impact on unrelated business income tax for nonprofits
 - Impact on taxable subsidiaries and affiliate corporations
- Changes to estate tax exemption
 - Impact on charitable legacies, bequests, and split-interest gifts (charitable remainder trusts, charitable gift annuities, etc.)
 - Why the changes could actually increase planned giving for some organizations
- New excise tax on certain high-level executive compensation
 - Applicability to nonprofits
- New excise tax on net investment income of private nonprofit colleges and universities
 - Clarifying guidance from Congress or Treasury will be needed
- Employer implications and action items
 - New withholding tables and rates
 - Repeal of exclusion for paying or reimbursing employee moving expenses
 - Elimination of the “individual mandate” with respect to health care insurance
 - Implications for employers and possible additional changes coming for the ACA
- New rules for 529 plans
 - Now permitted to be used for K-12 private school tuition