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Five Issues Presented by the Advisory Committee on Tax-Exempt and Government Entities

NOT-FOR-PROFIT, TAX
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The Advisory Committee on Tax-Exempt and Government Entities (ACT) issued its annual report to the Internal Revenue Service (IRS) on June 8, 2016. The annual report addressed the following issues that fall within the five areas of the IRS Tax-Exempt and Government Entities Division:

1. Employee Plans: Analysis and Recommendations Regarding Changes to the Determination Letter Program
2. Exempt Organizations: Stewards of the Public Trust: Long-Range Planning for the Future of the IRS and the Exempt Community
3. Federal, State and Local Governments: Revised FSLG Trainings and Communicating with Small Local Governments
4. Indian Tribal Governments: Survey of Tribes Regarding IRS Effectiveness with Current Topics of Concern and Recommendations
5. Tax-Exempt Bonds: Recommendations for Continuous Improvement and Enhancing Recourses in the Tax-Exempt Bond Market

Specific to the area of Exempt Organizations, the ACT recommended that the IRS provide leadership and guidance on major issues impacting the exempt organizations sector and to ensure that exempt organization staff are equipped to carry out all responsibilities of exempt organizations. They've suggested that the IRS release and share data appropriate for public use, such as with state charity officials, but also ensure cyber integrity through technology tools, data collection and secured cyber storage. Finally, the ACT recommended that the IRS foster two-way communication between the IRS Exempt Organizations division and the nonprofit sector, providing examples such as revising the determination letter to educate exempt organizations on their tax obligations and responsibilities. All recommendations presented were meant to span the next 20 to 30 years.

The ACT is composed of a diverse group of individuals selected by the Commissioner of the IRS and then appointed by the Department of Treasury. The purpose of the ACT is to provide observations about current or proposed IRS policies, programs and procedures, and suggest improvements through an annual report. The report issued on June 8 is the Committee's 15th report of recommendations. The full report can be found on the IRS website at: <https://www.irs.gov/pub/irs-pdf/p4344.pdf>

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regarding the topic and visit the [Our Thoughts On](#) blog for more articles pertaining to the not-for-profit sector.

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