



|| Tax Exempt Organizations

Tax-exempt organizations are highly regulated by the Internal Revenue Service and Foster Swift attorneys have experience with all parts of the regulatory process – including formation, obtaining tax-exempt status, compensation issues, private benefit and private inurement issues, tax planning, unrelated business income, fundraising issues, corporate sponsorship, and campaign and lobbying issues.

Foster Swift attorneys represent individuals and businesses in creating tax-exempt organizations, as well as the organizations themselves in various tax and legal issues that arise during their life cycles.

Our attorneys have extensive experience representing tax-exempt organizations before the Internal Revenue Service, the Michigan Department of Treasury, the Michigan Attorney General, the Michigan Charitable Trust Section, and Michigan probate courts. Representative matters include:

- Corporate formation
- Tax exemption applications
- Prohibited transaction analysis
- Reasonable compensation analysis and opinions
- Analysis and planning of corporate transactions involving tax-exempt organizations
- Analysis of political activities
- Board of Directors training, and development of internal policies and procedures to ensure tax compliance
- Advising organizations after the occurrence of prohibited transactions or excess benefit transactions
- Representation of organizations in connection with governmental investigations of the organization or its key officers, directors, trustees, or employees
- Dissolution and liquidation of nonprofits

We frequently create and counsel organizations of all sizes, including the following types:

- Charitable organizations established under Internal Revenue Code ("Code") § 501(c)(3), such as:
 - Hospitals

ATTORNEYS

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RELATED PRACTICES

Business & Tax
Estate Planning
Executive Compensation
Federal Taxation
International Taxation
Michigan Tax
Property Tax
State and Federal Audits and Tax Disputes
Tax Law



- Private foundations for charitably-inclined individuals
- Publicly-supported charitable organizations
- Community foundations
- Employer-related scholarship programs
- Scholarship programs available to the general public
- Food banks
- Athletic organizations
- Religious organizations
- Schools and other educational organizations
- Thrift stores
- Social services organizations
- Social welfare organizations established under Code §501(c)(4), including non-profit HMOs;
 - Trade associations established under Code §501(c)(6);
 - Political organizations established under Code §527;
 - Pension-related exempt organizations;
 - Governmental units described in Code §115; and
 - International nonprofit organizations.

PUBLICATIONS & ALERTS

State of Michigan Issues New Guidance on “Rolling Stock” Exemption for Interstate Motor Carriers, *Foster Swift Agricultural Law News*, April 8, 2024

Tax Exempt? Don’t Forget to File Your Form 990 by May 15!, *Foster Swift Business & Corporate Law Report*, May 2013

EVENTS

Tax Issues and Challenges Surrounding Innovative Fundraising, *MICPA: 2018 Nonprofit Conference*, October 9, 2018

WEBINAR: Property Tax Exemptions: What Every Assessor Needs to Know Webinar, September 20, 2017