

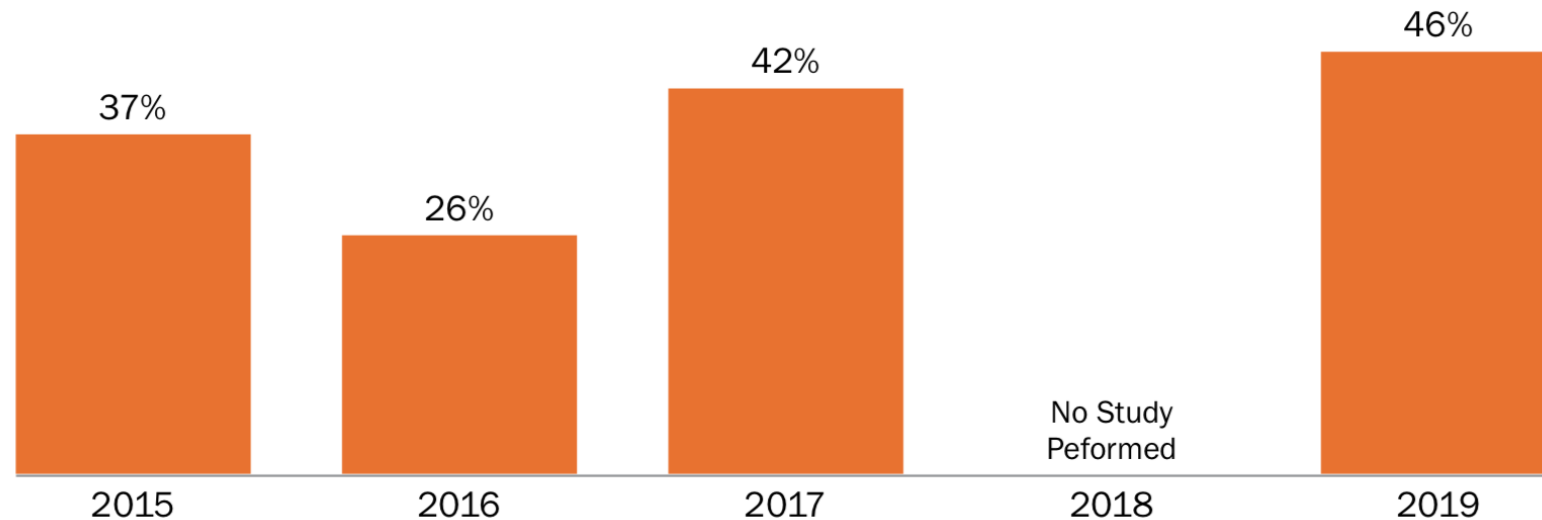
TAS Studies of IRS 1023-EZ Determinations

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In 2015 – 2017, and again in 2019, TAS examined representative samples of approved 1023-EZ applications from 20 states that had free on-line access to articles of incorporation and which did not have automatic dissolution clauses.

FIGURE 4.4.3

Erroneous Approval Rates Found in Review of Form 1023-EZ Applications in 20-State Samples



2019 Results of TAS Representative Sample from 20 states.

FIGURE 4.4.1, Outcomes of 20-State Sample

20-State Sample	Count	Percent
Unacceptable Purpose Clause, Acceptable Dissolution Clause	60	17%
Acceptable Purpose Clause, Unacceptable Dissolution Clause	27	8%
Neither Acceptable	72	21%
One or Both Unacceptable	159	46%
Both Acceptable	188	54%
Total	347	

2019 Results of TAS Representative Sample from 25 states (including California)

FIGURE 4.4.2, Outcomes of 25-State Sample

25-State Sample	Count	Percent
Unacceptable Purpose Clause, Acceptable Dissolution Clause	66	14%
Acceptable Purpose Clause, Unacceptable Dissolution Clause	31	7%
Neither Acceptable	94	20%
One or Both Unacceptable	191	40%
Both Acceptable	284	60%
Total	475	