

May 6, 2009

H 1636. CHARITABLE EXEMPTION STANDARD. Filed 5/6/09. *TO PROVIDE THAT TAX-EXEMPT STATUS FOR CHARITABLE AND SIMILAR ORGANIZATIONS IS CONDITIONED ON THE ORGANIZATION'S USING A MINIMUM AMOUNT OF ITS GROSS INCOME FOR ITS CHARITABLE OR SIMILAR PURPOSE.*

Amends GS 105-130.11 to provide that an organization that is exempt under GS 105-130.11(a)(3) or under Section 501(c)(3) of the Internal Revenue Code (other than an organization organized primarily for religious purposes) is not exempt unless at least 65% of the total amount of the organization's gross receipts for the income year expended for any purpose is spent for the charitable or other purpose that is the basis for the organization's exemption. *Gross receipts* includes the gross amount solicited by a paid solicitor on an organization's behalf and *funds spent for any purpose* includes the amount retained by a paid solicitor for solicitation on behalf of the organization and any other part of gross receipts not held by the organization as of the end of the income year. Effective for taxable years beginning on or after January 1, 2009.

Intro. by Blust.

GS 105