



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

April 10, 2015

H.R. 1314

Ensuring Tax Exempt Organizations the Right to Appeal Act

As ordered reported by the House Committee on Ways and Means on March 25, 2015

H.R. 1314 would amend the Internal Revenue Code of 1986 to provide a procedure for organizations requesting 501(c) (tax exempt non-profit status) recognition to appeal decisions made by the Internal Revenue Service (IRS). CBO estimates that implementing the legislation would have no significant cost over the next five years. CBO and the staff of the Joint Committee on Taxation (JCT) estimate that enacting the bill would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

The bill would enact provisions similar to the interim guidance proposed by the IRS on May 19, 2014, under which an entity that fails to receive tax exempt status may request an administrative appeal. Because the legislation would codify the agency's current practices CBO estimates that implementing this bill would not significantly increase administrative costs.

CBO and JCT have determined that H.R. 1314 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

The CBO staff contact for this estimate is Matthew Pickford. The estimate was approved by Theresa Gullo, Assistant Director for Budget Analysis.