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The Tax Law of Private Foundations

2019 Cumulative Supplement

Fifth Edition

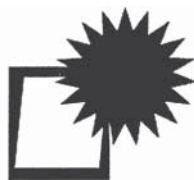
Bruce R. Hopkins, Jody Blazek

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Preface

This is the first supplement to accompany *The Tax Law of Private Foundations, Fifth Edition*. The supplement covers events occurring from the middle of 2018 (where the book ended) and through the middle of 2019.

Most of the law developments that have occurred during the period reflected in this supplement concern the self-dealing rules, with emphasis on the law concerning indirect self-dealing. The book's treatment of this area of private foundation law has been rewritten and expanded. Particular attention has been accorded the estate administration exception, in part because of two recent significant IRS private letter rulings on the point, plus a ruling on the matter of a foundation's expectancy.

Private foundation law is not frequently the subject of court opinions. One court case emerged during the covered period: the *Dieringer* case. Framed as an estate tax charitable deduction valuation case, the set of facts really is a case study in indirect self-dealing. The case is treated from that perspective in this supplement.

Other interesting private letter rulings during the period include aspects of the mandatory payout rule, the law concerning functionally related businesses and program-related investments, spending for charitable purposes, and the qualified appreciated stock rule.

There was some hope that the proposed Department of the Treasury regulations concerning donor-advised funds would materialize during the period—they are likely to constitute the stuff of a supplement by themselves—but, to date, nothing in that regard has occurred.

A supplement of this nature would not be complete without an update on applicable law generated by the Tax Cuts and Jobs Act. Included in this supplement are summaries of the Treasury Department's and the IRS's interim guidance on the bucketing rule and the fringe benefit expense rules.

Thanks go to Brian T. Neill, Banurekha Venkatesan, and Elisha Benjamin, at John Wiley & Sons, Inc., for their hard work and invaluable help in connection with preparation of this supplement.

BRUCE R. HOPKINS

Book Citations

Throughout this book, 14 books by the authors (in some instances, as co-author), all published by John Wiley & Sons, are referenced in this way:

1. Hopkins, *IRS Audits of Tax-Exempt Organizations: Policies, Practices, and Procedures* (2008): *IRS Audits*.
2. Blazek, *IRS Form 1023 Tax Preparation Guide* (2005): *IRS Form 1023 Tax Preparation Guide*.
3. Hopkins, *The Law of Fundraising, Fifth Edition* (2013): *Fundraising*.
4. Hopkins, *The Law of Intermediate Sanctions: A Guide for Nonprofits* (2003): *Intermediate Sanctions*.
5. Hopkins, *The Law of Tax-Exempt Organizations, Twelfth Edition* (2019): *Tax-Exempt Organizations*.
6. Hopkins, *Nonprofit Governance: Law, Practices & Trends* (2009): *Nonprofit Governance*.
7. Blazek, *Nonprofit Financial Planning Made Easy* (2008): *Nonprofit Financial Planning Made Easy*.
8. Hopkins, *Nonprofit Law for Colleges and Universities: Essential Questions and Answers for Officers, Directors, and Advisors* (2011): *Colleges and Universities*.
9. Hopkins, *Planning Guide for the Law of Tax-Exempt Organizations: Strategies and Commentaries* (2004): *Planning Guide*.
10. Hopkins, *The Tax Law of Charitable Giving, Fifth Edition* (2014): *Charitable Giving*.
11. Hopkins, *The Tax Law of Unrelated Business for Nonprofit Organizations* (2005): *Unrelated Business*.
12. Blazek, *Tax Planning and Compliance for Tax-Exempt Organizations, Fourth Edition* (2004): *Tax Planning and Compliance*.
13. Hopkins, *The Law of Tax-Exempt Healthcare Organizations, Fourth Edition* (2013): *Healthcare Organizations*.
14. Hopkins, *Tax-Exempt Organizations and Constitutional Law: Nonprofit Law as Shaped by the U.S. Supreme Court* (2012): *Constitutional Law*.

BOOK CITATIONS

The third, fifth, tenth, twelfth, and thirteenth of these books are annually supplemented. Also, updates on all of the foregoing law subjects (plus private foundations law) are available in *Bruce R. Hopkins' Nonprofit Counsel*, a monthly newsletter also published by Wiley.

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