

from the performance of services. Organization B is not internally supported and is not an integrated auxiliary.

Example 3. Organization C is a hospital that is described in sections 501(c)(3) and 509(a)(1). Organization C is affiliated (within the meaning of this paragraph (h)) with a church. Organization C is open to all persons in need of hospital care in the community, although most of Organization C's patients are members of the same denomination as the church with which Organization C is affiliated. Organization C maintains its name on hospital listings used by the general public, and participating doctors are allowed to admit all patients. Therefore, Organization C offers its services for sale to the general public on more than an incidental basis. Organization C annually receives \$250,000 in support from the church, \$1,000,000 in payments from patients and third party payors (including Medicare, Medicaid and other insurers) for patient care, \$100,000 in contributions from the public, \$100,000 in grants from the federal government (other than Medicare and Medicaid payments) and \$50,000 in investment income. Total support is \$1,500,000 (\$250,000 + \$1,000,000 + \$100,000 + \$100,000 + \$50,000), and \$1,200,000 (\$1,000,000 + \$100,000 + \$100,000) of that total is support from receipts from the performance of services, government sources, and public contributions (80% of total support). Therefore, Organization C receives more than 50 percent of its support from receipts from the performance of services, government sources, and public contributions. Organization C is not internally supported and is not an integrated auxiliary.

(i) *Records, statements, and other returns of tax-exempt organizations.* (1) An organization which is exempt from taxation under section 501(a) and is not required to file annually an information return required by this section shall immediately notify in writing the district director for the internal revenue district in which its principal office is located of any changes in its character, operations, or purpose for which it was originally created.

(2) Every organization which is exempt from tax, whether or not it is required to file an annual information return, shall submit such additional information as may be required by the Internal Revenue Service for the purpose of inquiring into its exempt status and administering the provisions of subchapter F (section 501 and following), chapter 1 of subtitle A of the Code, section 6033, and chapter 42 of subtitle D of the Code. See section 6001 and §1.6001-1 with respect to the au-

thority of the district directors or directors of service centers to require such additional information and with respect to the books of account or records to be kept by such organizations.

(3) An organization which has established its exemption from taxation under section 501(a), including an organization which is relieved under section 6033 and this section from filing annual returns of information, is not relieved of the duty of filing other returns of information. See, for example, sections 6041, 6043, 6051, 6057, and 6058 and the regulations thereunder.

(j) *Unrelated business tax returns.* In addition to the foregoing requirements of this section, certain organizations otherwise exempt from tax under section 501(a) which are subject to tax on unrelated business taxable income are also required to file returns on Form 990-T. See paragraph (e) of §1.6012-2 and paragraph (a)(5) of §1.6012-3 for requirements with respect to such returns.

(k) *Effective date.* The provisions of this section shall apply with respect to returns filed for taxable years beginning after December 31, 1969.

[T.D. 7122, 36 FR 11026, June 8, 1971; 36 FR 11730, June 18, 1971]

EDITORIAL NOTE: For FEDERAL REGISTER citations affecting §1.6033-2, see the List of Sections Affected in the Finding Aids section of this volume.

§ 1.6033-3 Additional provisions relating to private foundations.

(a) *In general.* The foundation managers (as defined in section 4946(b)) of every organization (including a trust described in section 4947(a)(1)) which is (or is treated as) a private foundation (as defined in section 509) the assets of which are at least \$5,000 at any time during a taxable year shall include the following information on its annual return in addition to that information required under §1.6033-2(a):

(1) An itemized statement of its securities and all other assets at the close of the year, showing both book and market value,

(2) An itemized list of all grants and contributions made or approved for future payment during the year, showing

the amount of each such grant or contribution, the name and address of the recipient (other than a recipient who is not a disqualified person and who receives, from the foundation, grants to indigent or needy persons that, in the aggregate, do not exceed \$1,000 during the year), any relationship between any individual recipient and the foundation's managers or substantial contributors, and a concise statement of the purpose of each such grant or contribution.

(3) The address of the principal office of the foundation and (if different) of the place where its books and records are maintained.

(4) The names and addresses of its foundation managers (within the meaning of section 4946(b)), that are substantial contributors (within the meaning of section 507(d)(2)) or that own 10 percent or more of the stock of any corporation of which the foundation owns 10 percent or more of the stock, or corresponding interests in partnerships or other entities, in which the foundation has a 10 percent or greater interest.

For purposes of subparagraph (2) of this paragraph, the business address of an individual grant recipient or foundation manager may be used by the foundation in its annual return in lieu of the home address of such recipient or manager, and the term "relationship" shall include, but is not limited to, any case in which an individual recipient of a grant or contribution by a private foundation is (i) a member of the family (as defined in section 4946(d)) of a substantial contributor or foundation manager of such foundation, (ii) a partner of such substantial contributor or foundation manager, or (iii) an employee of such substantial contributor or foundation manager or of an organization which is effectively controlled (within the meaning of section 4946(a)(1)(H)(i) and the regulations thereunder), directly or indirectly, by one or more such substantial contributors or foundation managers.

(b) *Notice to public of availability of annual return.* A copy of the notice required by section 6104(d) (relating to public inspection of private foundations' annual returns), and proof of publication thereof, shall be filed with

the annual return required by § 1.6033-2(a). A copy of such notice as published, and a statement signed by a foundation manager stating that such notice was published, setting forth the date of publication and the publication in which it appeared, shall be sufficient proof of publication for purposes of this paragraph.

(c) *Special rules—(1) Furnishing of copies to State officers.* The foundation managers of a private foundation shall furnish a copy of the annual return required by section 6033 and § 1.6033-2 to the Attorney General of:

(i) Each State which the foundation is required to list on its return pursuant to § 1.6033-2(a)(2)(iv),

(ii) The State in which is located the principal office of the foundation, and

(iii) The State in which the foundation was incorporated or created.

The annual return shall be sent to each Attorney General described in paragraphs (c)(1) (i), (ii), or (iii) of this section at the same time as it is sent to the Internal Revenue Service. Upon request the foundation managers shall also furnish a copy of the annual return to the Attorney General or other appropriate State officer (within the meaning of section 6104 (c)(2)) of any State. The foundation managers shall attach to each copy of the annual return sent to State officers under this subparagraph a copy of the Form 4720, if any, filed by the foundation for the year.

(2) *Cross-reference.* For additional rules with respect to private foundations' returns and the public inspection of such returns, see section 6104(d) and the regulations thereunder.

(d) *Special rules for certain foreign organizations.* The provisions of paragraphs (b) and (c) of this section shall not apply with respect to an organization described in section 4948(b). The foundation managers of such organizations are not required to publish notice of availability of the annual return for inspection, to make the annual return available at the principal office of the foundation for public inspection under section 6104(d), or to send copies of the annual return to State officers.

(e) *Effective date.* The provisions of this section shall apply with respect to

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returns filed for taxable years beginning after December 31, 1980.

[T.D. 8026, 50 FR 20756, May 20, 1985]

§ 1.6033-4 Required use of magnetic media for returns by organizations required to file returns under section 6033.

The return of an organization that is required to be filed on magnetic media under § 301.6033-4 of this chapter must be filed in accordance with Internal Revenue Service revenue procedures, publications, forms, or instructions, including those posted electronically. (See § 601.601(d)(2) of this chapter).

[T.D. 9364, 72 FR 63810, Nov. 13, 2007]

§ 1.6033-5T Disclosure by tax-exempt entities that are parties to certain reportable transactions (temporary).

(a) *In general.* Every tax-exempt entity (as defined in section 4965(c)) shall file with the IRS on Form 8886-T, "Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction" (or a successor form), in accordance with this section and the instructions to the form, a disclosure of—

(1) Such entity's being a party (as defined in paragraph (b) of this section) to a prohibited tax shelter transaction (as defined in section 4965(e)); and

(2) The identity of any other party (whether taxable or tax-exempt) to such transaction that is known to the tax-exempt entity.

(b) *Definition of tax-exempt party to a prohibited tax shelter transaction—*(1) *In general.* For purposes of section 6033(a)(2), a tax-exempt entity is a party to a prohibited tax shelter transaction if the entity—

(i) Facilitates a prohibited tax shelter transaction by reason of its tax-exempt, tax indifferent or tax-favored status;

(ii) Enters into a listed transaction and the tax-exempt entity's tax return (whether an original or an amended return) reflects a reduction or elimination of its liability for applicable Federal employment, excise or unrelated business income taxes that is derived directly or indirectly from tax consequences or tax strategy described

in the published guidance that lists the transaction; or

(iii) Is identified in published guidance, by type, class or role, as a party to a prohibited tax shelter transaction.

(2) Published guidance may identify which tax-exempt entities, by type, class or role, will not be treated as a party to a prohibited tax shelter transaction for purposes of section 6033(a)(2).

(c) *Frequency of disclosure.* A single disclosure is required for each prohibited tax shelter transaction.

(d) *By whom disclosure is made—*(1) *Tax-exempt entities referred to in section 4965(c)(1), (2) or (3).* In the case of tax-exempt entities referred to in section 4965(c)(1), (2) or (3), the disclosure required by this section must be made by the entity.

(2) *Tax-exempt entities referred to in section 4965(c)(4), (5), (6) or (7).* In the case of tax-exempt entities referred to in section 4965(c)(4), (5), (6) or (7), including a fully self-directed qualified plan, IRA, or other savings arrangement, the disclosure required by this section must be made by the entity manager (as defined in section 4965(d)(2)) of the entity.

(e) *Time and place for filing—*(1) *Tax-exempt entities described in paragraph (b)(1)(i) of this section—*

(i) *In general.* The disclosure required by this section shall be filed on or before May 15 of the calendar year following the close of the calendar year during which the tax-exempt entity entered into the prohibited tax shelter transaction.

(ii) *Subsequently listed transactions.* In the case of subsequently listed transactions (as defined in section 4965(e)(2)), the disclosure required by this section shall be filed on or before May 15 of the calendar year following the close of the calendar year during which the transaction was identified by the Secretary as a listed transaction.

(2) *Tax-exempt entities described in paragraph (b)(1)(ii) of this section.* The disclosure required by this section shall be filed on or before the date on which the first tax return (whether an original or an amended return) is filed