



hasta la vista to the reviled nonprofit parking tax

David Wheeler Newman
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Christmas came early for the nonprofit community when Congress repealed the hugely unpopular tax on parking and other transportation employee benefits.

The 2017 Tax Cuts and Jobs Act added a provision to the Internal Revenue Code that had no friends in the charitable sector: section 512(a)(7) made transportation fringe benefits including parking and public transit benefits, provided by nonprofit employers, subject to the unrelated business income tax (UBIT). Not only did this provision defy logic by taxing *expenses* rather than *income*, it forced the filing of an income tax return (Form 990-T) upon thousands of nonprofits that before 2018 had only filed a Form 990 informational return, but not a 990-T, not to mention countless churches that don't even need to file the Form 990.

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