



February 4, 2019

Internal Revenue Service  
1111 Constitution Avenue, NW  
Washington, DC 20224

RE: Comments on Notice 2018-99 & 2018-100

To Whom It May Concern,

On behalf of community nonprofits in Connecticut, we write to ask the IRS to postpone efforts to clarify the tax on nonprofit parking benefits enacted new Internal Revenue Code Section 512 (a)(6) and (a)(7). The IRS published preliminary guidance (Notice 2018-99) on the new unrelated business income tax (UBIT) on parking and transportation expenses last month.

First, we appreciate IRS Notice 2018-100 that provides for waiver of tax penalties for nonprofits that failed to submit quarterly estimated payments for the new tax on transportation benefits. Absent preliminary or official guidance over the past year, most community nonprofits were not aware of these changes and subsequently, could not be prepared to account for them accurately. It is welcome relief that the agency recognized this reality and acted.

Second, prior to the Federal Government Shutdown in December 2018, bipartisan legislation was introduced (and agreed upon in principle) to repeal the provision in the 2017 Tax Cuts and Jobs Act (Section 512(a)(7) of the tax code, effectively making this matter moot. It would seem prudent to hold off on issuing regulations for a provision targeted for repeal.

Finally, we are also concerned about the provision that requires nonprofits with business income to pay the tax on each separate "trade or business" and prohibits the blending of profits and losses across lines of business (Notice 2018-67). While Treasury and IRS have initiated rulemaking on the "trade or business" tax, similar bipartisan legislative efforts have called for delay of this rule, with an expected effort of repeal to follow this Congress.

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in blue ink, appearing to read "Gian-Carl Casa".

Gian-Carl Casa  
President & CEO