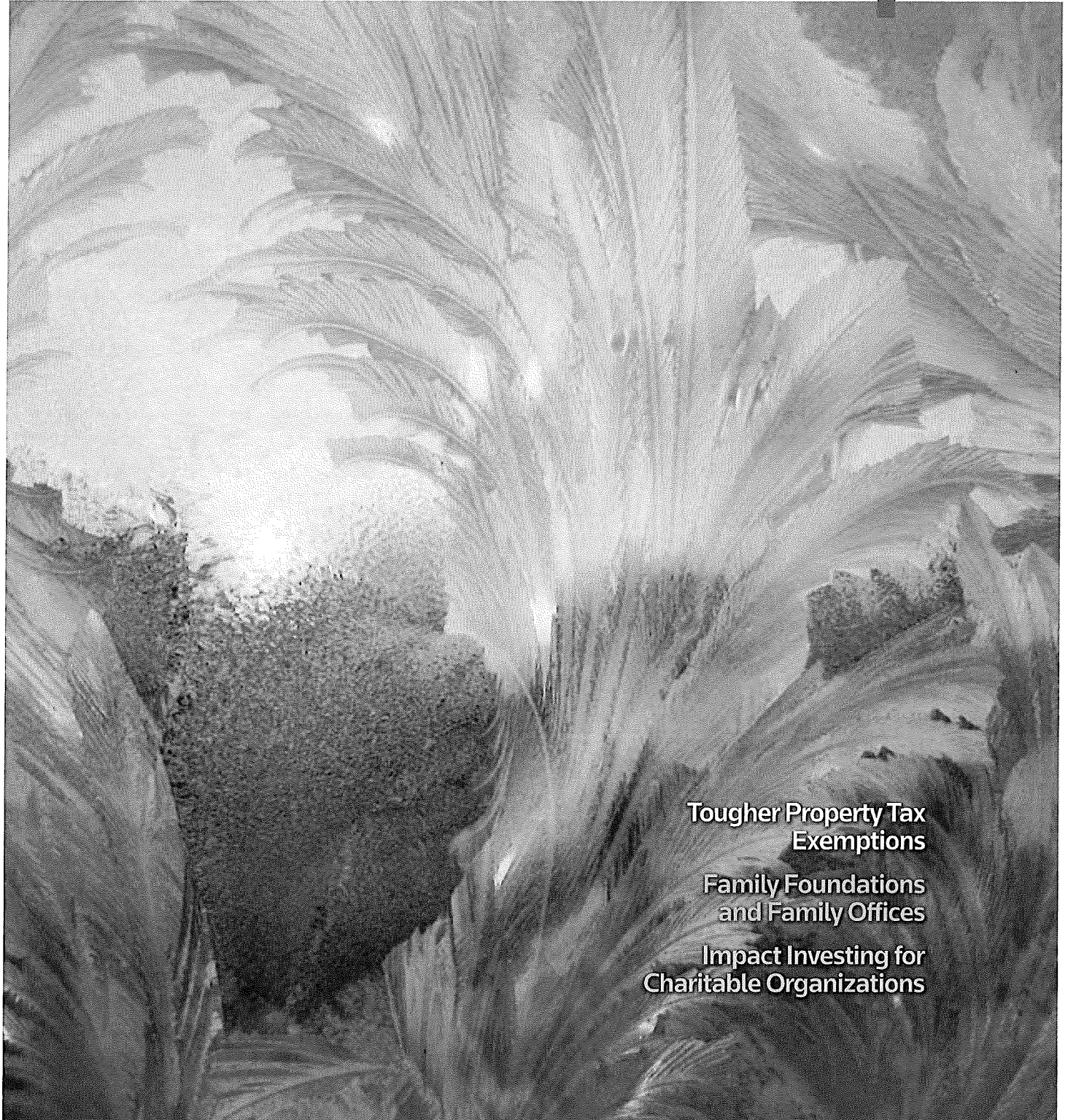


Taxation of Exempts



**Tougher Property Tax
Exemptions**

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and Family Offices**

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January/February 2018
Volume 29, Number 4

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Taxation of Exempts (EOJTI) (ISSN 1043-0539) is published bimonthly by Thomson Reuters/Tax & Accounting, 121 River Street, Hoboken, NJ 07030. Subscriptions: \$455 per year. Call: (800) 323-8724. Also available on the Internet on Thomson Reuters Checkpoint®. One user license for one year: \$485.

Editorial and advertising inquiries: Thomson Reuters/Tax & Accounting, 121 River Street, Hoboken, NJ 07030. Telephone: (201) 536-4963. Fax: (201) 536-4461. Send correspondence relating to subscriptions and all other business matters to Thomson Reuters Tax & Accounting, P.O. Box 115008, Carrollton, TX 75011-5008.

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POSTMASTER: Send address changes to Taxation of Exempts, P.O. Box 115008 Carrollton, TX 75011-5008. Periodicals postage paid at Hoboken, NJ, and at additional mailing offices.

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LET ME TELL YOU HOW IT WILL BE— TOUGHER PROPERTY TAX EXEMPTIONS

MARK R. ADAMS

*If you drive a car, I'll tax the street,
If you try to sit, I'll tax your seat.
If you get too cold I'll tax the heat,
If you take a walk, I'll tax your feet.*

The Beatles, "Taxman" (1966)

In the United States, a property tax is a levy typically assessed by a state or local government on real or personal property.¹ State and local governments rely significantly on the tax revenues collected on real and personal property, which are generally the largest source of income for local governments. In many states, more revenue is generated through the collection of property taxes than through sales and income taxes.²

State and local governments generally assess property taxes on land, improvements and structures on land, and personal property located on the real estate, including machinery, equipment, furniture, and fixtures. Property taxes are typically imposed on the subject property's "taxable value," which is often based on a factor of its fair market value. For a property that is deemed exempt from property tax, the subject property is essentially assigned a taxable value of \$0.³ The rules and regulations regarding property tax assessment and collection vary from state to state. However, most property taxing governments are authorized or required by law to grant property tax ex-

emptions for property owned by certain nonprofit charitable institutions, like churches, schools, charities, and nonprofit hospitals and physician groups.⁴

The nonprofit sector accounts for approximately one-tenth of the U.S. economy, in terms of both employed persons and total spending. Nonprofits have grown faster than the rest of the U.S. economy in recent decades. For example, although the U.S. gross domestic product (GDP) increased by 38% from 1995 to 2010, total real revenues reported by nonprofits registered with the IRS increased by 65%.⁵ Nonprofit healthcare providers are a primary beneficiary of the financial benefits arising out of property tax exemptions. The American Hospital Association reported that there are more than 5,500 hospitals in America, of which more than 2,800 (51%) are non-governmental, nonprofit hospitals, around 1,000 are for-profit community hospitals, and the remaining 1,700 are state and local government hospitals (which typically are exempt automatically from property tax).⁶

The financial impact of nonprofits on municipalities

Recent news regarding U.S. municipalities in financial distress is abundant. Major cities that are experiencing significant financial distress include Detroit, Memphis, Milwaukee, Atlanta, and Baltimore.⁷ In addition, many smaller, less-publicized municipalities are also facing

Difficult financial positions are forcing municipalities to challenge the property tax exemptions long enjoyed by nonprofits.

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challenging financial situations. One significant reason for this wave of municipalities facing financial problems is that many cities have welcomed nonprofit charitable enterprises—and the jobs they bring—into their territory. Yet these employers legally pay no property taxes, even though they use significant municipal resources like police, fire, and public works services.

The financial problems of Hartford, Connecticut, relating to insufficient property tax revenues are a well-publicized example. Hartford's 2017 budget shortfall is expected to exceed \$30 million.⁸ For many capital cities like Hartford, significant real estate is owned by government agencies that don't pay property taxes. With a population of about 125,000, Hartford is also home to the University of Connecticut School of Law, Trinity College, and Hartford Seminary, all of which are exempt from real and personal property taxes.⁹

Municipalities believe a simple solution to their financial problems would be to tax the large, valuable real and personal property owned by nonprofits located there. Nonprofits, many of which have never paid any property taxes to the municipalities in which they are located, chafe at the concept of paying any sort of property tax. The eventual clash between revenue-starved municipalities and the nonprofits that have long enjoyed legal property tax exemptions is inevitable. Indeed, the battle is already well underway.

In the early 1990s, when the author first began representing property owners in property tax appeals, municipalities were generally very willing to grant a full property tax exemption to any enterprise that could demonstrate that it was an "exempt organization" under Section 501(c)(3), particularly if the property owner had obtained an exemption "determination letter" from the IRS. With respect to health care providers, municipalities had historically granted property tax exemptions if the property owner could demonstrate that it satisfied the Service's "community benefit" standards.¹⁰ However, over the past 25 years, and particularly within the last decade, demonstrating 501(c)(3) status has generally become the minimum requirement that a property owner must meet to initiate meaningful discussions with a municipality regarding a property tax exemption.

Nonprofit property owners should expect the municipal initiative to gain strength and momentum as municipal dollars become more scarce and precious.

Governmental initiatives against property tax exemptions

The need by cities across the U.S. to collect more tax revenues will inevitably lead them to challenge the long-standing legal property tax exemptions traditionally (and legally) enjoyed by nonprofits. These challenges will be manifested in at least two forms, described below.

Case law

One forum for challenging state and local laws, albeit on a case-by-case basis, is in court. Two cases in this area stand out.

The Provena case. The Illinois Supreme Court's decision case of *Provena Covenant Medical Center v. Department of Revenue*, was a significant setback to nonprofit charitable organizations seeking property tax exemptions in Illinois.¹¹

Section 15-65 of the Illinois Property Tax Code, 35 ILCS 200/15-65, provides, in pertinent part:

All property of the following is exempt when actually and exclusively used for charitable or beneficent purposes, and not leased or otherwise used with a view to profit: (a) Institutions of public charity.

Provena Covenant Medical Center (PCMC) owned and operated six hospitals in Illinois. In 2002, Provena Hospitals, the entity that owned the property in question, applied for a property tax exemption with respect to all 43 parcels that were a part of the PCMC complex.

The *Provena* court acknowledged the following facts.

- Provena Hospitals was the relevant entity for purposes of the "charitable ownership" requirement and PCMC was the relevant unit for purposes of the "charitable use" requirement.
- PCMC maintained between 260-268 licensed beds.

¹ See MCL [Michigan Consolidated Laws] 211.10.

² National Association of Counties, "Property Taxes: A Look at Exemptions, Tax Limits and Assessment Cycles," (Nov. 2011), page 3, available at www.naco.org/sites/default/files/documents/Property%20Taxes%20A%20Look%20at%20Exemptions,%20Tax%20Limits%20and%20Assessment%20Cycles.pdf.

³ The discussion below focuses on a property owner's pursuit of a full tax exemption for a subject property, rather than a tax appeal based on an objection to the municipality's proposed taxable value for the property.

⁴ National Association of Counties, *supra* note 2. See also, MCL 211.70, the Michigan statute providing for property tax exemptions for qualified nonprofit charitable institutions in that state.

⁵ Kenyon and Langley, "The Property Tax Exemption for Nonprofits and Revenue Implications for Cities" (The Urban Institute, Nov. 2011),

page 2, available at www.urban.org/research/publication/property-tax-exemption-nonprofits-and-revenue-implications-cities.

⁶ American Hospital Association, "Fast Facts on US Hospitals" (Jan. 2017), available at www.aha.org/research/rc/stat-studies/fast-facts.shtml.

⁷ "The 10 most distressed large cities in America," Business Insider online edition 7/18/17, available at www.businessinsider.com/the-10-most-distressed-cities-in-america-2015-7.

⁸ "Hartford, With Its Finances in Disarray, Veers Towards Bankruptcy," N.Y. Times, 8/16/17, available at www.nytimes.com/2017/08/15/nyregion/hartford-with-its-finances-in-disarray-veers-toward-bankruptcy.html.

⁹ "City of Hartford Is facing tough decisions amid financial crisis," WFSB-TV, 11/10/16, available at www.wfsb.com/story/33684068/city-of-hartford-is-facing-tough-decisions-amid-financial-crisis.

- PCMC admitted 10,000 inpatients and 100,000 outpatients annually.
- The emergency room treated 27,000 visitors annually.
- In 2002, Provena Hospitals realized a net loss of \$4.8 million on revenues of \$713.9 million and PCMC realized a net profit of \$2.1 million on revenues of \$113.4 million.
- PCMC waived charges of \$1.7 million for 302 patients under its sliding-scale charity care program.
- The cost of the services provided under the charity program was \$831,000 (47% of the waived charges) which was \$268,000 less than the value of the property tax exemption.

The Illinois Supreme Court calculated the total cost of the charity care program to be 0.723% of PCMC's revenues. In short, the Provena entities reported financial information that was typical for a large, nonprofit charitable health care system.

Notwithstanding the provider's substantial charity care delivered, the Illinois Supreme Court held that *Provena* was not entitled to a property tax exemption under 35 ILCS 200/15–65. The court used the five criteria established in the case of *Methodist Old Peoples Home v. Korzen*¹² as the distinctive characteristics of a charitable institution: (1) it has no capital, capital stock, or shareholders; (2) it earns no profits or dividends but rather derives its funds mainly from private and public charity and holds them in trust for the purposes expressed in the charter; (3) it dispenses charity to all who need it and apply for it; (4) it does not provide gain or profit in a private sense to any person connected with it; and (5) it does not appear to place any obstacles in the way of those who need and would avail themselves of the charitable benefits it dispenses.

The court found that Provena Hospitals was not a "charitable institution" because it satisfied only two of the five criteria. It held that Provena Hospitals did not have shareholders (point 1) and was not operated for private inurement (point 4). However, since the hospital derived over 95% of its revenues from providing medical services for a fee, the court reasoned that it did not "derive its funds mainly from private and public charity" and so failed the second criteria.

The court further held that Provena Hospitals failed to establish by clear and convincing evidence that it "dispenses charity to all who need it and apply for it" (point 3) or that it did not "place any obstacles in the way of those who need and would avail themselves of the charitable benefits" (point 5).

The Morristown Medical Center case. In another widely publicized property tax exemption case, the Tax Court of New Jersey ruled in June 2015 that Morristown Medical Center was not entitled to tax exemption on nearly all of its property located in Morristown, N.J. Among its other conclusions, the court held:

Recent news regarding U.S. municipalities in financial distress is abundant.

- Except for some very narrow exceptions such as its parking garage, auditorium, and fitness center, almost all of the hospital's property was deemed to be taxable because non-profit and for-profit activities were significantly commingled and conferred substantial benefits on the for-profit entities as a result.
- Although IRS guidelines allowed exempt organizations to establish the reasonableness of compensation under federal law by analyzing compensation levels against those of comparable organizations, the judge dismissed such a standard as insufficient because the hospital arguably failed to verify that the compensation at the other comparable institutions was also reasonable.¹³
- If all hospitals in their current form are structured like the petitioner in Morristown, then none of them are justified in receiving property tax exemptions.

On 11/11/15, a settlement was announced between the property owner and the Town of Morristown. The hospital agreed to pay \$15.5 million in back taxes and penalties, plus annual property taxes on 24% of the hospital's property from 2016 to 2025.¹⁴

A full analysis of the *Provena* and *Morristown* cases is beyond the scope of this article. The main

¹⁰ Community benefit is the basis of the exemption from federal income taxes for nonprofit hospitals. In Rev. Rul. 69-545, 1969-2 CB 117, the IRS describes the community benefit standard for charitable tax-exempt hospitals. Since 2008, tax-exempt hospitals have been required to report their community benefit and other information related to tax-exemption on the Form 990, Schedule H. Section 501(r), added to the Code by the Affordable Care Act, contains four new requirements related to community benefits that nonprofit hospitals must meet to qualify for 501(c)(3) tax-exempt status: (1) conducting a community health needs assessment with an accompanying implementation strategy, (2) establishing a written financial assistance policy for medically necessary and emergency care, (3) complying with specified limitations on hospital charges for those eligible for financial assistance, and (4) complying with specified billing and collections requirements. The new ACA requirements do not include a specific minimum value

of community benefits that a hospital must provide to qualify for tax-exempt status. The IRS conducted a long implementation process for the ACA community benefit requirements, with guidance, Notices, and proposed regulations issued over a five-year period beginning March 2010. Final regulations consolidating these actions were issued 12/31/14. TD 9708.

¹¹ *Provena Covenant Med. Ctr. v. Dep't of Revenue*, 236 Ill. 2d 368, 925 N.E.2d 1131, Ill. Dec. 10 (Ill., 2010).

¹² *Methodist Old Peoples Home v. Korzen*, 39 Ill. 2d 149, 233 N.E.2d 537 (1968).

¹³ This ruling essentially disregarded the IRS framework for reasonableness of compensation in use by thousands of charities nationwide.

¹⁴ See *AHS Hospital Corp. v. Town of Morristown*, NJ Tax Court Docket Nos. 010900-2007, 010901-2007 and 000406-2008 (2015).

takeaway is that these two decisions establish very challenging standards that nonprofits must meet to justify property tax exemptions. Other states have undoubtedly been dissecting the *Provena* and *Morristown* cases to help fortify their arsenal against tax exemptions for nonprofits.

State legislative initiatives. Government's other forum for governmental initiatives against property tax exemptions—and one with far broader potential impact—is the state legislature.

Connecticut. Connecticut was one of the first states to initiate legislation to change the long-standing legal structure whereby nonprofit charitable organizations are entitled to property tax exemptions. In 2015, H.B. No. 6965—"An Act Concerning the Preservation of Municipal Tax Bases"—was introduced in the Connecticut House of Representatives. The bill stated that it was designed to "preserve municipal tax bases by allowing municipalities to tax any real and personal property acquired after July 1, 2016, by private nonprofit institutions of higher learning, nonprofit general hospital facilities, freestanding chronic disease hospitals and certain urgent care facilities." The proposed legislation was specifically designed to change the rules governing tax-exempt property in order to assist struggling municipalities.¹⁵ The bill is currently bogged down in the Connecticut legislative process, and its future is unclear.

Massachusetts. Two bills pending in the Massachusetts legislature seek to increase property taxes on certain nonprofits. H 3526 would allow towns to charge non-profit organizations and educational institutions, who pay their five highest-earning employees more than a cumulative \$2.5 million, 50% of what their property tax liability would be (absent their exemption) for three years and then 25% in perpetuity. Those organizations would also be sub-

ject to property taxation when they purchase new property, on a sliding scale that settles at 25% of the total tax liability. H 1565 would allow municipalities to require property tax-exempt organizations to pay 25% of the amount that would be paid if the property were not exempt from taxation.¹⁶

Connecticut and Massachusetts are two of the first and most active states seeking to reduce the availability of property tax exemptions for nonprofits. Considering the increasing pressure on states and municipalities to improve their financial situation, they will most certainly not be the last.

Michigan—Wexford and its progeny. In Michigan, as in most states, property tax applications are initiated at the local municipal level.¹⁷ If the city or township will not grant an exemption, the property owner can proceed to the local Board of Review ("BOR"). If the BOR denies the tax exemption, the property owner can proceed to the Michigan Tax Tribunal. Decisions from the Tribunal may be appealed to the Michigan Court of Appeals. And finally, the Michigan Supreme Court may hear appeals from the Michigan Court of Appeals.

Two Michigan statutes allow property tax exemptions. MCL 211.7o allows the exemption for real or personal property owned and occupied by a nonprofit charitable institution while occupied by that nonprofit charitable institution solely for the purposes for which that nonprofit charitable institution was incorporated. MCL 211.7r allows an exemption for real estate, with the buildings and other property located on that real estate, owned and occupied by a nonprofit trust and used for hospital or public health purposes.

The landmark Michigan case on property tax exemptions for nonprofit charitable institutions is *Wexford Medical Group v. City of Cadillac*.¹⁸ To qualify for a charitable tax exemption in Michigan, a property owner must satisfy the following six factors set forth in *Wexford*:

¹⁵ "Analysis: Tax-exempt property is a \$500 million dilemma for towns in CT," TrendCT, 4/10/15, available at <https://trendct.org/2015/04/10/tax-exempt-property-is-a-500-million-dilemma-for-towns-in-ct>.

¹⁶ "Nonprofits speak out against property tax legislation," Worcester Bus. Jnl., 6/14/17 available at www.wbjournal.com/article/20170614/NEWS01/170619984/nonprofits-speak-out-against-property-tax-legislation.

¹⁷ The author practices primarily in the State of Michigan, and has extensive experience in pursuing tax exemptions for nonprofits in that state. A brief discussion of Michigan property tax exemption law will provide a snapshot of what property owners seeking property exemptions may experience in other states.

¹⁸ 474 Mich. 192, 713 NW2d 734 (2006).

¹⁹ *Id.* at 474 Mich. 197.

²⁰ See *Chelsea Health and Wellness Foundation v Twp. of Scio*, 2017 WL 4557009 (Mich. Ct. App. Oct. 12, 2017).

²¹ See *Spectrum Health Primary Care Partners v. Charter Township of Grand Rapids*, MTT Docket No. 15-001768-TT, available at <http://taxdocketlookup.lara.state.mi.us/Details.aspx?PK=110707>.

²² *Chelsea Health and Wellness Foundation v Twp. of Scio*, COA Case No. 332483 (unpublished opinion, 10/12/17). The Tax Tribunal had previously denied the exemption due to the property owner's failure to prove *Wexford* factor #3, the discrimination test. *Chelsea Health and Wellness Foundation v Scio Twp.*, available at <http://taxdocketlookup.lara.state.mi.us/Details.aspx?PK=102339>.

²³ *Baruch SLS, Inc. v. Tittabawassee Twp.*, Sup. Ct. No. 152047 (unpublished opinion, 6/28/17), available at <http://caselaw.findlaw.com/mi-supreme-court/1866423.html>.

²⁴ It is interesting to note that in May 2016, SB 960 was introduced in the Michigan legislature. It would clarify Michigan property tax exemption law while making it more favorable to nonprofit property owners seeking tax exemptions. However, SB 960 has gained little traction in the state senate. See the Web site of the Michigan legislature at [www.legislature.mi.gov/\(S\(wt4aoehdliiwcc3yrce4j\)\)/mlleg.aspx?page=GetObject&objectname=2016-SB-0960](http://www.legislature.mi.gov/(S(wt4aoehdliiwcc3yrce4j))/mlleg.aspx?page=GetObject&objectname=2016-SB-0960).

1. The property owner must be a "nonprofit institution."
2. The property owner must be organized chiefly, if not solely for charity.
3. The property owner must demonstrate that it does not offer its charity on a discriminatory basis by choosing who, among the group it purports to serve, deserves the services; rather, it must serve any person who needs the particular type of charity being offered.
4. The property owner must bring people's minds or hearts under the influence of education or religion; relieve people's bodies from disease, suffering, or constraint; assist people to establish themselves for life; erect or maintain public buildings or works; or otherwise lessen the burdens of government.
5. The property owner's charges for its services must not be more than what is needed for its successful maintenance.
6. The property owner must demonstrate that its overall nature is charitable.¹⁹

As a practical matter, *Wexford's* third factor has been the most challenging for a property owner to demonstrate, partly because the post-*Wexford* case law analyzing the discrimination factor did not provide clear guidance on the legal issue. Nonetheless, since 2016, *Wexford* and its six-factor test has been the law of the land in Michigan regarding charitable property tax exemptions.

Since 2006, the *Wexford* standard has provided a blueprint for property owners seeking, and municipalities challenging, real and personal property tax exemptions. The burden is on the owner to prove that it satisfies all six *Wexford* factors, and the failure to prove even one factor will result in a denial of the exemption.²⁰ Because the parties have so many factors to argue over, the pleadings and the hearing for property tax appeals under *Wexford* are typically very long and complicated. A few very recent examples of Michigan property tax appeals decided under the *Wexford* analysis are:

1. *Spectrum Health Medical Group*. In January 2017, the Michigan Tax Tribunal granted a 100% tax exemption on real and personal property owned by a nonprofit charitable physician group at a newly-constructed integrated care clinic.²¹ The Township appealed the decision to the Michigan Court of Appeals and then withdrew its appeal.
2. *Chelsea Health and Wellness Foundation*. In October 2017, the Michigan Court of Appeals reversed the Tax Tribunal and granted a tax exemption for property owned by a nonprofit health and wellness center.²²
3. *Baruch*. In an opinion issued in June 2017,²³ in *Baruch SLS, Inc. v. Tittabawassee Twp.* (Sup. Ct. No. 152047), the Michigan Supreme Court re-

viewed a charitable tax exemption sought by the operator of an adult foster care facility.

In *Baruch*, the facility had required applicants to make at least 24 full monthly payments to the facility to be eligible for a reduced occupancy rate. The Tax Tribunal had denied the property tax exemption under *Wexford*, concluding that the property owner

Municipalities believe a simple solution to their financial problems would be to tax property owned by nonprofits.

did not satisfy the third factor in *Wexford* because it failed to demonstrate that it offered its charity on a non-discriminatory basis. The Michigan Court of Appeals had upheld the Tribunal's ruling and the property owner appealed to the Michigan Supreme Court. The Michigan Supreme Court vacated the rulings of the Tax Tribunal and the Court of Appeals, and remanded the case to the Tax Tribunal for further proceedings. The Michigan Supreme Court specifically ruled that, when evaluating whether a property owner has met the requirements of the third *Wexford* factor by offering its charity on a nondiscriminatory basis, the key question is whether the restrictions or conditions that the institution imposes bear a reasonable relationship to a permissible charitable goal under the fourth *Wexford* factor. If a reasonable relationship exists, the third *Wexford* factor is satisfied. The *Baruch* opinion provides important guidance for charitable property owners seeking property tax exemptions under the *Wexford* authority.²⁴

Specific arguments against charitable tax exemptions.

In their efforts to demonstrate that a property owner is not a nonprofit charitable institution entitled to a property tax exemption, some municipalities will leave no stone unturned. Some examples of propositions presented by cities and townships to challenge tax exemptions include the following arguments:

Excess compensation. The taxing authority may argue that the nonprofit organization pays its key officers and physicians so much money that it is not behaving like a charity, possibly even violating the "private inurement" prohibitions under Section 501(c)(3). A survey of Form 990s for large, tax-exempt healthcare providers does, in fact, indicate that many key officers and employees have compensation that may appear exorbitant.

However, the enterprise can support its compensation figures as being compliant with Section 501(c)(3)

by obtaining quality compensation surveys to support their compensation methodology.

ACA arguments. One Michigan municipality recently argued that the Affordable Care Act (ACA) has effectively eliminated almost all need for non-profit hospitals and medical groups to provide charity care, because the ACA makes affordable health insurance available to almost everyone. There is significant evidence that the ACA has reduced the number of uninsured patients who seek medical treatment for nonprofit tax-exempt hospitals.²⁵

However, healthcare providers can often demonstrate that the overall need for charity healthcare remains high. The *Wexford* court held that Medicare and Medicaid losses (i.e., the difference between a provider's cost and the reimbursed amount for these services) constitute an element of charity care.²⁶ These Medicare and Medicaid losses or "shortfalls" are typically significant items on a hospital's financial statements. Property owners pursuing property tax appeals should introduce their Medicare and Medicaid losses to support their charity care numbers.

Fee discrimination. One recurring argument promoted by property tax assessors in Michigan is that nonprofit hospitals and medical groups discriminate in how they charge patients. Specifically, they charge some patients more than others for the same services based on whether the patient has private insurance, ACA insurance, or no insurance. Further, they argue the Medicare-Medicaid system has created a "hidden tax" (or a "cost shift") that results in the provider charging above-market fees to certain patients (e.g., patients with private insurance).

This argument ignores the fact that the healthcare cost-shifting system has been an integral part of the U.S. health care system since Medicare became law in 1965.²⁷ Further, there is no existing Michigan law that holds that the so-called "cost-shifting" system impairs a nonprofit institution's ability to have charitable status. In fact, the *Wexford* court specifically acknowledged that the losses a nonprofit health care provider sustains from charity care, including Medicare and Medicaid services, are typically not fully subsidized by the provider's patients, but by patients who can afford to pay, government reimburse-

ments, and even the provider's affiliates. Further, *Wexford* noted that the fact that health care provider receives government reimbursements has little bearing on the charitable institution analysis because, despite any government aid, the beneficiary of the medical care receives a gift.²⁸

The affluent patient argument. Taxing authorities may argue that nonprofit health care providers in affluent communities are not truly charitable institutions because they serve a patient base that is well-educated and has significant financial resources to devote to health care needs.

Even though the property owner may be located in an area that may be predominately affluent, however, the owner can prevail on this issue if it can demonstrate that it is legitimately committed to providing access to charitable health care services to those community members who do not have the ability to pay.

Organizational document challenges. A tax assessor may challenge a nonprofit's right to a property tax exemption by arguing that the nonprofit's organizational documents, including its articles of incorporation and bylaws, do not fully establish that the entity is organized exclusively for charitable nonprofit purposes.

The nonprofit should carefully review and upgrade its organizational documents to ensure that they comply with the applicable state laws regarding charitable property tax exemptions, and establish to the fullest extent legally possible that the owner is entitled to a property tax exemption.

Conclusion

Nonprofit charitable institutions comprise a significant segment of the U.S. economy. Nonprofits are huge beneficiaries of the real and personal property tax exemptions for charities, which are an integral part of the taxation scheme of many states and municipalities. Difficult financial positions are forcing municipalities to challenge the property tax exemptions long enjoyed by nonprofits. Those challenges are taking the form of aggressive denial of tax exemptions and litigation. Some states are also seeking to change the property tax exemption statutes to be more beneficial to the local taxing authorities. As a result, obtaining property tax exemptions will be increasingly more challenging for nonprofits. A nonprofit planning to apply for or maintain an existing property tax exemption must be prepared to utilize all resources and authority available to pursue a tax exemption to which it is legally entitled. ■

²⁵ The Kaiser Family Foundation, "Key Facts about the Uninsured Population" (9/19/17), available at www.kff.org/uninsured/fact-sheet/key-facts-about-the-uninsured-population.

²⁶ Note 18, *supra* at 474 Mich. 217.

²⁷ Frakt, Austin, How Much Do Hospitals Cost Shift? A Review of the Evidence (December 1, 2010). *Milbank Quarterly*, Vol. 89, No. 1, March 2011. Available at SSRN: <https://ssrn.com/abstract=1788128> It can be located at: <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3160596>.

²⁸ Note 18, *supra* at 474 Mich. 217.