



TaxNewsFlash

Exempt Organizations

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Exempt organization projects in IRS Priority Guidance Plan for 2026-2027

The U.S. Treasury Department and IRS today released the [2026-2027 Priority Guidance Plan](#).

The Priority Guidance Plan is used each year to identify and prioritize tax issues to be addressed through regulations, revenue rulings, revenue procedures, notices, and other published administrative guidance.

Beginning with the 2026-2027 Priority Guidance Plan, the 12-month “plan year” will correspond with the federal government’s fiscal year. Thus, the guidance projects on the 2026-2027 Priority Guidance Plan are priorities for allocating Treasury and IRS resources during the plan year beginning on October 1, 2026, and ending on September 30, 2027.

Below is a list of some of the projects in the Priority Guidance Plan that may have an impact on tax-exempt organizations.

One, Big, Beautiful Bill Act (OBBA) implementation

- Regulations under section 4960 regarding excess compensation paid by applicable tax-exempt organizations, including the expanded definition of “covered employee.”
- Regulations under section 4968 regarding the excise tax based on investment income of certain private colleges and universities.
- Regulations under section 25F on the income tax credit for contributions of individuals to scholarship granting organizations.

Deregulation and burden reduction

- Regulations under section 4945 regarding expenditure responsibility requirements.
- Regulations under section 6104 regarding the place for public inspection of materials relating to tax-exempt organizations, pensions, and other plans.

Tax-exempt organizations

- Final regulations regarding the application of the fundamental public policy against racial discrimination, including consideration of recent case law, in determining the eligibility of private schools for recognition of tax-exempt status under section 501(c)(3). Proposed regulations were published on September 4, 2026.

- Guidance on the statutory prohibition in section 501(c)(3) against participation or intervention in political campaigns (the “Johnson Amendment”).
- Guidance revising Rev. Proc. 2026-08 for certain types of group exemption letters.
- Guidance under sections 4966 and 6033 regarding certain donor advised fund arrangements.
- Guidance under section 6033 regarding exempt organization information reporting requirements, including with regard to fiscal sponsorship arrangements.

Tribal tax issues

- Regulations under section 139E regarding the requirements for Tribal general welfare benefits administered by Alaska Native Corporations.

Tax credits

The Priority Guidance Plan also lists guidance on certain tax credits that may be available to some tax-exempt organizations, including regulations under section 45F regarding the enhancements to the employer-provided child care credit and guidance under section 45S regarding the paid family and medical leave credit.

Overview

The Treasury Department and IRS explain that the 2026-2027 plan focuses on continued implementation of the OBBBA; deregulation and burden reduction; and guidance addressing tax-exempt organizations, Tribal tax issues, digital assets, and other priorities.

Some projects included in the 2025-2026 Priority Guidance Plan are not included in the 2026-2027 plan because they were completed or reflect a change in priorities. According to the Treasury Department and IRS, some incomplete projects may be considered for inclusion in a future priority guidance plan.

The Treasury Department and IRS intend to update the plan during the plan year to reflect additional priorities, guidance published during the year, and projects resulting from legislative developments. They also expect to add additional deregulatory items as they continue evaluating comments from taxpayers and tax practitioners.

In addition, an appendix to the plan lists more routine guidance generally published during each plan year.

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