

Nonprofit Parking Tax Flowchart Tool

GENERAL NOTES FOR USING THE FLOWCHART TOOL

The chart is intended to be applied on a per location basis. For this purpose, "location" refers to a single geographic location. Multiple parking facilities in a single location may be aggregated for this analysis. Organizations with parking facilities in multiple geographic locations must perform an analysis for each location and then add all taxable amounts from each location together.

Numbers in the boxes below are strictly for reference purposes. The boxes are not numbered sequentially and users should follow the path for the scenario that is applicable to their organization.

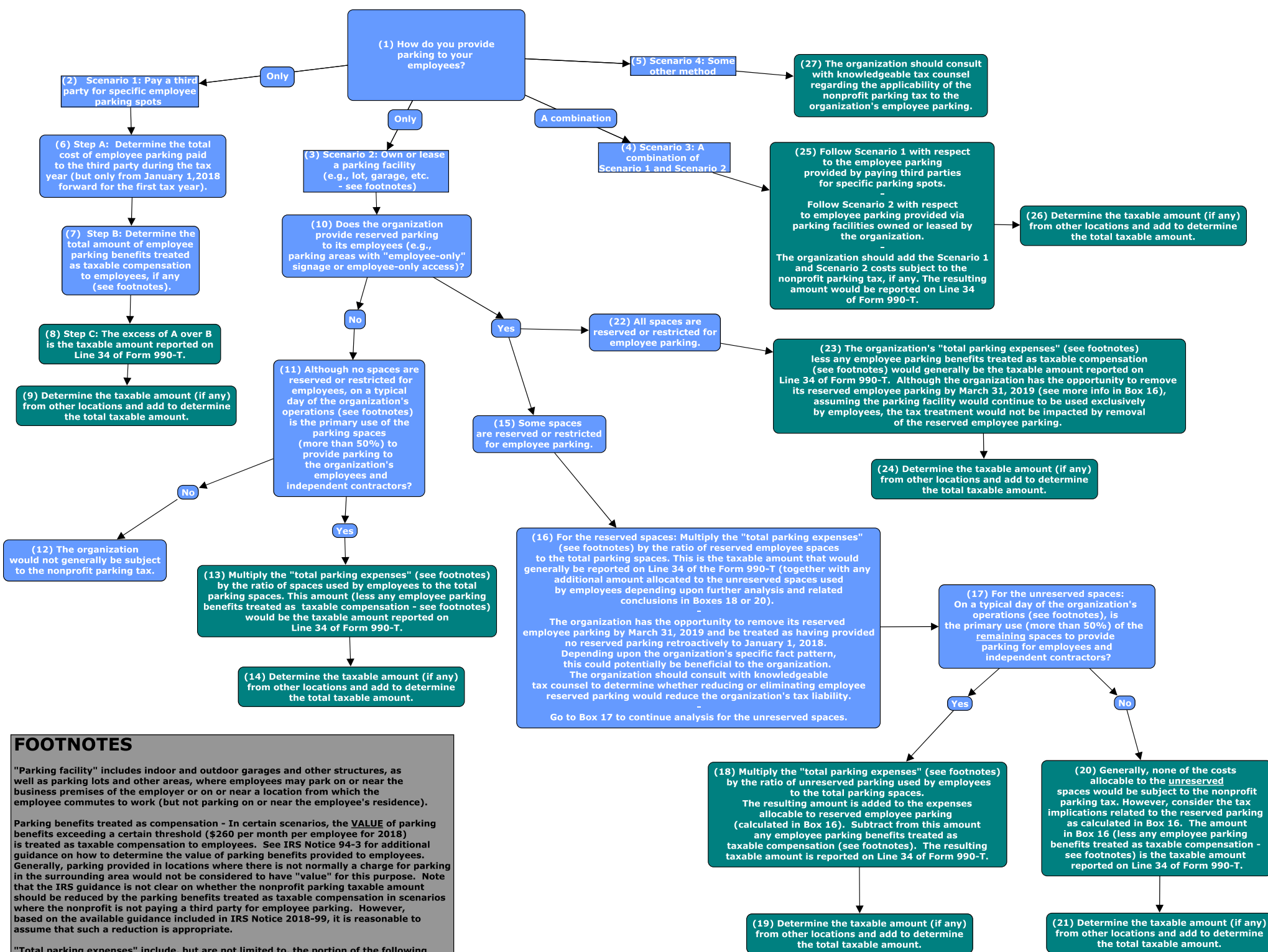
If the nonprofit parking tax is deemed applicable to your organization, the total costs subject to the tax would generally be the taxable amount reported on Form 990-T, Line 34.

However, if the total amount subject to the nonprofit parking tax is less than \$1,000 and your organization does not otherwise conduct any unrelated business activities, your organization would generally not be required to file Form 990-T.

If your organization currently files a Form 990-T in connection with other unrelated business activities, your organization should consult with its tax counsel regarding the impact of the nonprofit parking tax on your organization's tax liability.

Boxes in this color reflect scenarios where the organization may be subject to the nonprofit parking tax.

We recommend that this flowchart tool be used in conjunction with our article on the nonprofit parking tax located [here](#).
To stay up to date on the nonprofit parking tax go to www.nonprofitparkingtax.com
BMWL



FOOTNOTES

"Parking facility" includes indoor and outdoor garages and other structures, as well as parking lots and other areas, where employees may park on or near the business premises of the employer or on or near a location from which the employee commutes to work (but not parking on or near the employee's residence).

Parking benefits treated as compensation - In certain scenarios, the VALUE of parking benefits exceeding a certain threshold (\$260 per month per employee for 2018) is treated as taxable compensation to employees. See IRS Notice 94-3 for additional guidance on how to determine the value of parking benefits provided to employees. Generally, parking provided in locations where there is not normally a charge for parking in the surrounding area would not be considered to have "value" for this purpose. Note that the IRS guidance is not clear on whether the nonprofit parking taxable amount should be reduced by the parking benefits treated as taxable compensation in scenarios where the nonprofit is not paying a third party for employee parking. However, based on the available guidance included in IRS Notice 2018-99, it is reasonable to assume that such a reduction is appropriate.

"Total parking expenses" include, but are not limited to, the portion of the following costs allocable to the organization's parking facilities that were paid or incurred from January 1, 2018 forward: rent or lease payments, repairs, maintenance, utility costs, insurance, property taxes, interest, snow and ice removal, leaf removal, trash removal, cleaning, landscape costs, parking lot attendant expenses, security, and other similar costs related to the organization's parking facilities. Total parking expenses do NOT include depreciation. A nonprofit may use any reasonable method to allocate the expenses described above to its parking facilities. Expenses paid for items not located on or in the parking facilities, including items related to property next to the parking facilities, such as landscaping or lighting are not included.

"Typical day" - For purposes of this analysis, evaluate the use of the parking during the normal hours of the organization's activities on a typical day. If usage of the parking varies significantly between days of the week or times of the year, any reasonable method may be used to determine the average or actual estimated usage. Non-reserved spots that are available to the general public but are empty during normal hours of the organization's activities on a typical day are treated as being provided to the general public (not employees).

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