

# Treasury Issues Guidance on Parking Provided by Tax-Exempt Organizations and Other Employers



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**Washington**—Today the Treasury Department issued guidance on how tax-exempt organizations can compute unrelated business taxable income (UBTI) resulting from parking provided to their employees. The new rules also help taxable employers determine the amount of parking expenses that are no longer tax deductible. Treasury also issued penalty relief for some tax-exempt organizations affected by the new rules.

“Treasury is sensitive to the concerns of the tax exempt community, and hopes this guidance can significantly limit the impact on non-profit groups,” said Secretary Steven T. Mnuchin. “Treasury is offering tax exempt organizations a roadmap for navigating their responsibilities. The guidance issued today aims to provide flexibility while minimizing the burden on non-profit groups that provide employee parking.”

The guidance allows tax-exempt and taxable employers to use any reasonable method for 2018 to determine the increase in UBTI or the amount of nondeductible expenses. The guidance also provides a safe harbor method that should minimize the burden on affected employers

Treasury also provides estimated tax penalty relief in 2018 to tax-exempt organizations that offer these benefits and were not required to report unrelated business income last filing season. Additionally, many tax-exempt organizations do not exceed the \$1,000 threshold for paying UBTI and will not be required to report unrelated business income or pay the applicable tax.

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