United States General Accounting Office

GAO

Testimony

Before the Subcommittee on National Economic Growth, Natural Resources, and Regulatory Affairs
Committee on Government Reform and Oversight
House of Representatives

For Release on Delivery
Expected at
2:00 p.m.
Thursday
June 29, 1995

TAX-EXEMPT ORGANIZATIONS

Additional Information on Activities and IRS Oversight

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063973 / 154610

Additional Information on Activities and IRS Oversight of Tax-Exempt Organizations

Summary of Statement by
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Over 1 million organizations are approved for tax-exempt status for a variety of reasons primarily related to charitable and educational, social welfare, or member benefit purposes. The Internal Revenue Code allows exemption under 25 organizational categories, including, for example, charities, labor unions, social clubs, and credit unions. The tax-exempt community has been (1) dominated by several categories of organizations and (2) characterized by concentration of resources among larger organizations.

Some, particularly larger, tax-exempt organizations have relied upon service fees and business-like activities to finance their operations. In 1950, Congress enacted the unrelated business income tax (UBIT) to address what was seen as competition between tax-exempt organizations and taxable businesses. In 1993, 37,045 organizations (about 3 percent of all tax-exempt organizations) paid $173.6 million in UBIT.

While tax-exempt organizations received a substantial portion of revenue from other than contributions or membership dues, government grants, reported to IRS as related income, did not comprise a major portion. Most government grants to tax-exempt organizations are received by charitable organizations; 33 percent of charitable organizations that filed received such grants in 1991. Charitable organizations reported receiving $39 billion in grants from federal, state, or local governments, representing about 8 percent of their total revenue of $490 billion. Tax-exempt organizations reported most of their income as related to their exempt purposes.

The extent to which tax-exempt organizations may statutorily engage in lobbying and political activity depends upon the type of organization. For instance, social welfare organizations may engage in unlimited lobbying, while charities have restrictions. However, even when permitted, funds used for lobbying may affect the deductibility of those contributions to the taxpayer.

Numerous IRS rulings and court cases have addressed whether income is subject to UBIT. Recent controversy involves the scope of income included in the exclusion for royalty income. Deciding whether activities are substantially related to exempt purposes or qualify under exclusions to UBIT create administrative and compliance hurdles for IRS and the organizations.

Mr. Chairman and Members of the Subcommittee:

We are pleased to be here today to provide information to assist the Subcommittee in its inquiry into the activities of tax-exempt organizations and the revenue resulting from these activities. Of particular interest are the activities of charitable and educational organizations (Internal Revenue Code section 501(c)(3)) and social welfare organizations (Internal Revenue Code section 501(c)(4)), as these organizations represent most tax-exempt assets.

On the basis of our past work and our analysis of 1991 Internal Revenue Service (IRS) data, which was the most recent available, we have the following major observations to offer:

-- The tax-exempt community represents a large and diverse group of organizations organized and operated for a variety of purposes. However, the community has been characterized by concentration of resources among some large organizations. For instance, in 1989 about 1.6 percent of charitable and educational organizations controlled 70 percent of all such organizations' assets and 61 percent of their revenue.

-- Many tax-exempt organizations have relied upon income-producing activities to fund their operations. IRS data show that these organizations received a substantial proportion of 1990 revenue from program service activities and other sources: 79 percent for charitable and educational organizations and 81 percent for social welfare organizations. The IRS data also indicate that contributions represented 20 percent of charitable and educational organizations' revenue and membership dues represented 11 percent of social welfare organizations' revenue.

-- In 1950, concerns of competition between the tax-exempt community and taxable businesses led to enactment of UBIT. IRS data show that tax-exempt organizations have reported contributions and the bulk of their fee and business-like income as derived from activities related to exempt purposes and therefore not taxed. In 1991, 71 percent of charitable and educational organizations' revenue was reported as derived from activity related to exempt purposes.

-- Most grants to tax-exempt organizations from federal, state, or local governments are received by charitable organizations; 33 percent of charitable organizations that filed reported receiving such grants in 1991. Charitable organizations reported receiving about $39 billion in grants from federal, state or local governments in 1991, representing about 8 percent of their total revenue of $490 billion. By comparison, 16 percent of social welfare organizations that filed received government grants, totalling about $648 million--3 percent of their total revenue. Information on the specific source is not available at IRS.

-- About 96 percent of charitable and educational organizations' 1991 income reported from unrelated activity was excluded from UBIT because the income fell under one or more of 40 exclusions. Similarly, about 75 percent of social welfare organizations' income was excluded. Exclusions include income from royalties, interest and dividends, and rents from property not financed by debt. Generally, exclusions were enacted because Congress did not believe such income, usually of a passive nature, was likely to generate competitive problems. In 1993, 37,045 tax-exempt organizations, about 3 percent of all such organizations, paid almost $174 million in UBIT.

-- The extent to which tax-exempt organizations may statutorily engage in lobbying activity depends upon the type of organization. Unlimited lobbying is permitted for social welfare organizations, provided that it relates to the organizations' exempt purpose. Charitable and educational organizations may generally spend no more than $1 million annually on lobbying. Further, donors may not claim a charitable deduction for contributions to charitable and educational organizations used for lobbying, and members of tax-exempt organizations may not deduct membership dues if the funds are used for lobbying.

-- IRS oversight of tax-exempt organizations primarily involves recognizing organizations for tax-exempt status and subsequent examination to ensure that these organizations are organized and operated for their approved purposes, and that the proper amount of unrelated business income or other excise taxes, if any, has been paid. Administration of and compliance with the UBIT require determining whether a business activity furthers an organization's exempt purpose and, if not, whether it falls within one of the statutory exclusions. This has historically posed difficult determinations for IRS and taxpayers. Current controversy surrounds the extent to which various income sources fit the royalty exclusion.

TAX-EXEMPT COMMUNITY IS DIVERSE

Federal tax law has always provided for exemption of charitable and educational organizations. While the basis for exemption of particular organizations is not always specific, various rationales exist for tax-exempt status. These include a belief that the concept of taxable income is not applicable to nonprofit organizations supported by donations or organized for mutual benefit, and that exemption (1) assists an organization to undertake a function that governments would otherwise provide, (2) is an appropriate subsidy for addressing social problems using approaches not available to government, and (3) compensates for restraint on capital raising. Tax-exempt status is predicated upon being organized and operated for valid purposes and does not preclude the organization from generating profit from activities in which it is engaged.

The number of tax-exempt organizations continues to increase, with over 1.1 million[1] entities recognized as tax-exempt by IRS in 1994. Organizations are recognized as tax-exempt under 25 categories in Internal Revenue Code (IRC) section 501(c). Each of these categories provides for generic or specific organizational purposes, such as charitable and educational, health, social welfare, and member benefit. Appendix I provides a list of the 25 categories and the approved purposes.

Charitable and educational organizations have historically made up the majority of the tax-exempt community. Social welfare organizations have been the second largest category of exempt organizations. These two categories represented 65 percent of the more than 1.1 million tax-exempt organizations in 1994 and 69 percent of all assets in 1990.

Although the 25 statutory exemption categories encompass diverse organizational and operational purposes, great diversity also exists within the categories. For instance, 501(c)(3) organizations include educational institutions, churches, and hospitals. Organizations may be approved for exemption in furtherance of over 160 specific activities, ranging from testing products for public safety to combatting community deterioration.

Resources Have Been Concentrated

We reported in a 1987 report[2] that financial resources have historically been concentrated among a small number of tax-exempt organizations. This concentration was still evident in 1989. IRS data show that in 1989 about 2,133 charitable and educational organizations, or 1.6 percent, controlled 70 percent of these organizations' assets and 61 percent of their total revenue. Similarly in 1989, about 291 social welfare organizations, or 1.4 percent, controlled 78 percent of assets and 69 percent of revenue.

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[1]This total does not include certain 501(c)(3) religious organizations that are automatically tax-exempt without applying to IRS, as well as a small number of other organizations, such as farmer cooperatives.

[2]Competition Between Tax-Exempt Organizations and Taxable Businesses (GAO/GGD-87-40BR, Feb. 27, 1987).

BUSINESS ACTIVITIES LED TO UBIT

Prior to 1950, all income of exempt organizations was untaxed as long as the net profits were used to further their exempt purposes. In 1950, Congress enacted UBIT to address what was seen as competition between tax-exempt organizations and taxable entities. Tax-exempt status is predicated upon an organization being organized and operated for valid purposes and does not preclude the organization from generating profits from activities in which the organizations are engaged. However, Congress was concerned that tax-exempt organizations could expand their competitive businesses with untaxed profits while taxable entities could do so only with taxed profits. UBIT applies an income tax to a tax-exempt organization's income from an unrelated trade or business, less deductions directly connected to the production of the income. Income is subject to UBIT only if it is

-- from a trade or business;
-- regularly carried on, and
-- not substantially related to the organization's exempt purpose.

While the basic structure of UBIT has not changed since 1950, the UBIT was extended to churches, social welfare organizations, local associations of employees, and social clubs in 1969. Currently, UBIT applies to most tax-exempt organizations with unrelated business income (UBI) of $1,000 or more. In 1993, 37,045 tax-exempt organizations, about 3 percent of all such organizations, paid $173.6 million in UBIT. IRS 1991 data[3] show that less than 1 percent of the revenue of charitable and educational organizations and 1.4 percent of the revenue of social welfare organizations was taxable unrelated business income. Appendix II contains additional information on the distribution of revenues for these organizations.

In the 1980s, complaints from small businesses of unfair competition with tax-exempt organizations made the issue a prominent one at the 1986 White House Conference on Small Business and the subject of extensive hearings before the Subcommittee on Oversight of the House Ways and Means Committee in 1987 and 1988. Numerous proposals for UBIT changes were generated, including tightening the criteria for what was considered related activity and eliminating some of the

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[3]These data are based on information reported by tax-exempt organizations on their annual information return (Form 990, Part VII). IRS officials advised us that these data were first reported for tax year 1989, and the reliability of the reporting has not been assessed.

exclusions. However, these proposals were never included in a bill.

PAST RELIANCE UPON INCOME-PRODUCING ACTIVITY EVIDENT

Available IRS data through 1991 show the tax-exempt community continued to rely upon income-producing activity. This reliance has been attributed in studies by the community to increased fiscal pressure on tax-exempt organizations, particularly those in the social service area, which experienced reductions in federal funding.

Studies of the tax-exempt community have distinguished between so-called traditional revenue sources, such as contributions and gifts for charitable and educational organizations and membership dues for social welfare organizations, and income-producing or commercial-type revenue. IRS 1991 data show the most common type of income is derived from program service revenue, representing 70 percent for charitable and educational organizations and 60 percent for social welfare organizations. See Appendix III for additional information on revenue sources. Program service revenue broadly refers to fees and income organizations generate while administering programs. For example, it includes hospital charges for patient care, entrance fees to museums, fees for service at YMCAs and day care centers, and tuition at schools. Program service revenue may also be generated from commercial activity not substantially related to the organization's purpose. Other income can be derived from passive activities, such as interest, dividend, and royalty income.

Contributions and dues have decreased as a percent of tax-exempt organizations' total revenue, while the percent from fee and other income-producing activity increased. Contributions declined from 23 percent to 17 percent of revenue from 1975 to 1990 among all tax-exempt organizations. The decrease was more dramatic among charitable and educational organizations, for which the decline was from 32 percent to 20 percent during the same period. Dues decreased from 21 percent to 5 percent of all organizations' revenue, and dues decreased from 58 percent to 11 percent for social welfare organizations during the same period. Appendix IV contains more information on revenue sources.

1991 Data Indicate Most Revenue Reported From Related Activity

The overwhelming majority of charitable and educational and social welfare organizations' revenue in 1991 was reported as income derived from activities related to the organizations' exempt purposes and not subject to UBIT. Our analysis of IRS data disclosed that this type of income accounted for 71 percent of all income reported by charitable and educational organizations in 1991. Social welfare organizations reported an even higher percentage (82 percent) of income related to exempt purposes. A breakdown of these data is shown in appendix II.

Before 1989, data were lacking on the nature and extent of tax-exempt organizations' activities, particularly how the activities related to their exempt purposes. In response to our and others' recommendations for better data, IRS revised the annual information report (Form 990) to better capture the extent to which income is derived from activities that are related or unrelated to exempt purposes. Form 990, Part VII, Analysis of Income Producing Activities, requires organizations to categorize their income, other than charitable contributions, as (1) related to their exempt purpose; (2) unrelated business income, but subject to UBIT exclusions under IRC section 512, 513 or 514; and (3) taxable unrelated business income.

Government Grants are not a Major Revenue Source

In 1991, charitable and social welfare organizations reported receiving nearly 40 billion dollars in grants from federal, state, or local governments[4]. While aggregate information is unavailable to determine the nature of these grants, the recipient organizations reported the funds as related to their exempt purposes. Charitable and educational organizations received most of these grants--$39 billion--while social welfare organizations received $648 million. Appendix V has information on government grants.

Government grants do not comprise a major revenue source for charitable and social welfare organizations. In 1991, government grants represented 8 percent of total revenue for charitable and educational organizations and 3 percent for social welfare organizations. Tax-exempt organizations are not required to provide information about the specific source of their grants on the publicly available Form 990.

IRS data also show that larger tax-exempt organizations rely less on government grants than smaller ones. For 1991, the top 1 percent of charitable and social welfare organizations as measured by asset size reported about 33 percent of all grant revenue while reporting about 52 percent of total revenue.

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[4]Tax exempt organizations are required to report separately on form 990 as contributions, grants whose primary purpose is to provide a service directly benefiting the public. Grants that are of direct benefit to the grantor would be recorded as a program service revenue, and, consequently can not be individually identified from the Form 990.

Most Unrelated Business Income in 1991 Reported as a UBIT Exclusion

Much income derived from an activity considered unrelated to organizations' tax-exempt purposes in 1991 was not taxed as unrelated business income due to statutory exclusions to UBIT. There are 40 exclusions to UBIT. For instance, UBIT does not apply to income from

-- volunteer labor;
-- services provided for the convenience of members of certain organizations;
-- the sale of donated merchandise;
-- royalties;
-- certain kinds of research;
-- interest and dividends of certain organizations; and
-- rents, if not from debt-financed property.

Generally, the exclusions were enacted because Congress did not believe that such income was likely to generate competitive problems.

Overall, 96 percent of charitable and educational organizations' 1991 unrelated business income was reported on the Form 990 as excluded from UBIT. Social welfare organizations reported about 75 percent of unrelated business income as excluded from UBIT. The most frequently mentioned exclusions cited by the largest social welfare organizations in 1991 included (1) dividends and interest, (2) proceeds from the sale of investments, (3) real property rental income, and (4) income from an activity not regularly carried on.

Amount of UBI Reported Has Been Increasing

IRS statistics show that the number of organizations engaged in UBI activity has been growing. Any tax-exempt organization with UBI gross receipts of $1,000 or more must file a Form 990-T--Exempt Organization Business Income Tax return. Between 1985 and 1993 the number of Forms 990-T filed increased 58 percent from 23,433 to 37,045. The tax reported on these returns increased approximately 343 percent during the same period, from $39.2 million to $173.6 million (in 1993 dollars), averaging $1,675 in 1985 and $4,686 in 1993. Appendix VI contains more data on filings.

Tax-Exempt Organizations May Engage in Lobbying and Political Activity

The extent to which tax-exempt organizations may statutorily engage in lobbying and political activity depends primarily upon the type of organization. Lobbying activity involves an attempt to influence legislation through such means as contacting or urging the public to contact a member or employee of a legislative body, or a government official or employee of an executive agency who is in a position to propose, support, oppose, or reject legislation. "Grass-roots" lobbying is an attempt to influence the opinion of the general public concerning legislation.

Lobbying activity is permitted for social welfare organizations providing that it relates to their tax-exempt purpose. Further, lobbying can be the primary purpose of social welfare organizations. Certain charities may spend up to a maximum of $1 million annually, depending on the size of the organization, on lobbying activities, provided that no more than 25 percent of the lobbying expenditures involves "grass-roots" lobbying.

Political activity involves participating or intervening in a political campaign on behalf of or in opposition to a candidate for public office. Social welfare organizations can engage in political activity, provided it is not their primary activity. Political activity is generally prohibited for charitable and educational organizations.

The use of funds by tax-exempt organizations for lobbying or political activity can affect the deductibility of contributions and membership dues paid by individuals. Contributions to charitable and educational organizations are generally tax-deductible provided that the funds are not "earmarked" for either lobbying or political activity. While contributions to social welfare organizations are not tax-deductible, dues and membership fees are deductible as a business expense, if they are ordinary and necessary to conducting a taxpayer's business. These organizations must inform taxpayers if any portion of such dues and membership fees will be used for lobbying. Any such portion is not deductible to the taxpayer as a business expense.

UBIT POSES COMPLIANCE AND ADMINISTRATIVE DIFFICULTIES

As with other tax code provisions, the UBIT framework is made complex by the numerous exclusions to what is considered UBI. Additionally, the facts and circumstances of each case drive the determination as to whether an activity is substantially related to an organization's exempt purpose, creating compliance and administrative difficulties.

Numerous IRS rulings and court cases have been handed down on these issues. Whether an activity is substantially related can depend not only upon the type of exempt organization, but upon the unique circumstances involved. For instance, laboratory testing of nonpatients by a hospital has been determined in most circumstances to generate UBI; in one case, it was determined to be a substantially related activity. Defining what activity fits an exception has also been controversial. IRS has recently taken the position that income that some organizations may categorize as royalty income--an exception to UBIT--is actually income from active business services, and hence taxable UBI.

The question of the scope of the royalty exception has been interpreted differently by the courts. In a 1981 case, a court ruled that revenues from the rental of mailing lists was not the type of passive income contemplated by the royalty exclusion. More recently, the Tax Court disagreed with IRS' position to disallow as a royalty the income from the rental of mailing lists and from a credit card affinity program.[5] IRS claimed that the royalty exclusion includes only passive income sources. The Tax Court, however, ruled that the royalty exclusion was not limited to passive income sources and that the income fit the royalty exclusion as payment for the use of intangible property. Increasingly, organizations are reported to be receiving royalty income from such sources as affinity credit cards, sales of logos, and mailing lists.

IRS Has Undertaken Compliance Initiatives

IRS' examination program for exempt organizations involves determining whether the organizations are operating in accordance with their basis for exemption and whether they are liable for any UBIT or various excise taxes. The Form 990 and/or Form 990-T are examined. In 1993, IRS examined 7,968 Form 990 returns and 1,930 Form 990-T returns.

We reported[6] in 1985 that IRS could improve its process of selecting Form 990-T returns for examination. IRS agreed and conducted a Taxpayer Compliance Measurement Program (TCMP)[7] on exempt organizations' 1986 and 1987 Form 990-T returns to estimate compliance with reported UBIT[8] and to develop criteria to better select noncompliant organizations for examination. Compliance problems among some types of tax-exempt organizations

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[5]Under affinity programs, organizations receive a payment for the use of their logos on credit cards.

[6]IRS' Examination Selection System for Exempt Organizations' Unrelated Business Income Tax (GAO/GGD-85-64, July 8, 1985).

[7]IRS uses TCMP data to measure compliance levels, identify compliance issues, estimate the tax gap, and develop formulas for objectively selecting returns for audit.

[8]TCMP did not measure the extent to which organizations might be nonfilers.

were disclosed. Estimated voluntary compliance levels[9] ranged from 53 percent for social clubs to 75 percent for labor unions and 95 percent for various organizations under IRC 501(c)(1), (2) and (9)-(23) organizations. Estimated compliance levels for charitable and educational[10] and social welfare organizations were 56 and 58 percent, respectively.

Although design limitations in this TCMP made tax gap estimates unreliable, IRS believes that smaller organizations account for much of the UBIT noncompliance. In response to TCMP, IRS revised its audit selection criteria for Forms 990-T in 1990 and targeted specific types of organizations for educational outreach on Form 990-T filing requirements. Additionally, IRS is currently approaching its examinations by market segment, hoping to improve its examination and selection process.

In May 1994 the Subcommittee on Oversight of the House Committee on Ways and Means submitted recommendations for legislative and administrative changes to address difficulties in the administration of tax-exempt organizations. Among these recommendations were (1) an intermediate sanction short of revocation of tax-exempt status for violations of private inurement rules and (2) increased penalties for failure to file a complete and accurate Form 990. These recommendations were not acted upon at the Committee level.

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[9]Voluntary compliance level is the ratio of tax reported to the sum of tax reported and additional tax assessed.

[10]This does not include private foundations, whose compliance level was estimated at 96 percent.

APPENDIX I

Categories and Activities of Tax-Exempt Organizations

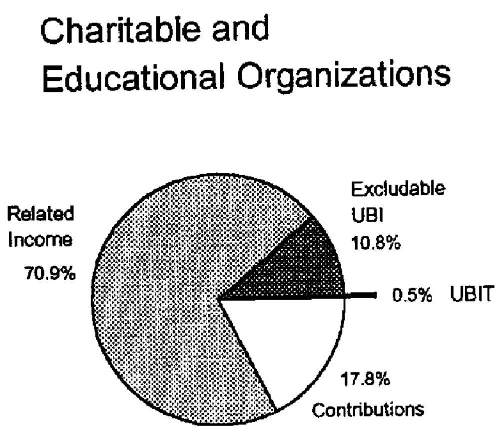
Section 501(c)	Type and activity of organization
(1)	Corporations organized under an act of Congress and operated as instrumentalities of the United States.
(2)	Title-holding corporations organized to hold title to a tax-exempt organization's property, collect its income, and deliver to it the net proceeds.
(3)	Entities organized and operated exclusively for religious, charitable, scientific, public safety testing, literacy, or educational purposes, for the prevention of cruelty to children or animals, or to foster amateur sports.
(4)	Organizations operated exclusively for the promotion of social welfare or local associations of employees whose earnings are earmarked for charitable, educational, or recreational purposes.
(5)	Labor, agricultural, and horticultural organizations organized to provide education on improving working conditions and products.
(6)	Business leagues, chambers of commerce, real estate boards, and professional football leagues organized to improve business conditions.
(7)	Clubs organized for pleasure and recreational purposes.
(8)	Fraternal beneficiary societies and associations organized to provide for the payment of life, sickness, accident, or other benefits to members and operated under a framework of self-governing branches chartered by a parent organization.
(9)	Voluntary employee beneficiary association providing for payment of life, sickness, accident, or other benefits to members of the association.

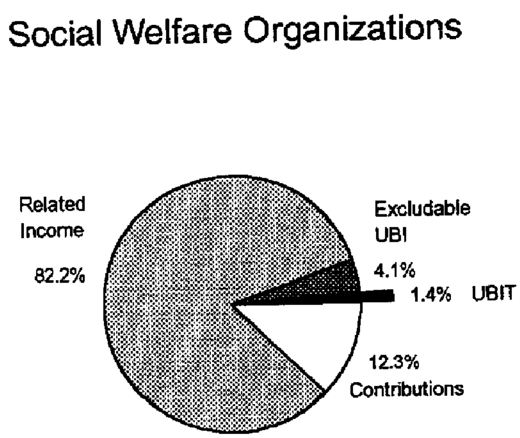
Section 501(c)	Type and activity of organization
(10)	Domestic fraternal societies and associations operated exclusively for social, educational, religious, scientific, charitable, and fraternal purposes under a framework of self-governing branches chartered by a parent organization.
(11)	Teachers' retirement fund associations organized on a local basis.
(12)	Benevolent life insurance associations, and mutual companies, such as electric, irrigation, and cooperative companies organized on a local basis.
(13)	Cemetery companies owned and operated for the benefit of their members and not operated for profit.
(14)	Nonprofit credit unions and mutual reserve funds providing loans to members and reserve funds for domestic building and loan associations, cooperative banks, and mutual savings banks (must have been organized prior to 9/1/57 if a mutual).
(15)	Mutual insurance companies or associations with net premiums not exceeding $350,000 providing insurance to members (other than life companies).
(16)	Cooperative organizations established to finance crop operations.
(17)	Trusts providing for the payment of supplemental unemployment benefits.
(18)	Trusts paying benefits under employee-funded pension plans if created prior to 6/25/59.
(19)	A post or organization promoting the welfare of past or present members of the Armed Forces.
(20)	An organization or trust providing legal services as part of a qualified group legal services plan.
(21)	Trust organized to pay black lung disability claims.

Section 501(c)	Type and activity of organization
(22)	Pension plan withdrawal liability trusts created to meet payments under section 4223(c) or (h) of the Employee Retirement Income Security Act of 1974.
(23)	Veterans' insurance associations created to provide insurance and other benefits to member veterans.
(24)	Trusts described in section 4049 of the Employee Retirement Income Security Act of 1974.
(25)	Title-holding companies with 35 or fewer entities exempt under IRC section 401 and 501(c)(3) and governmental units.

APPENDIX II

Distribution of Revenues for 1991





Source: SOI Data.

1991 Revenue Figures for Charitable Educational Organizations and Social Welfare Organizations (in millions)

	Charitable and educational organizations		Social welfare organizations	
	Amount	Percent	Amount	Percent
Total revenue	$489,694	100	$21,786	100
Program service	344,081	70.3	13,129	60.3
Contributions, gifts, grants	86,776	17.7	2,690	12.3
Dues/assessments	5,051	1.0	2,089	9.6
Other	53,786	11.0	3,878	17.8

Source: SOI data.

Table IV.1: Major Revenue Sources for all Exempt Organizations 1975 and 1990 (1990 Dollars, in Billions)

	Contributions		Dues and assessments		Other revenue		Total	
Year	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
1975	$47.3	22.8	$44.7	21.5	$115.7	55.7	$207.7	100.0
1990	93.4	16.7	30.3	5.4	435.9	77.9	559.6	100.0

Source: SOI data.

Table IV.2: Major Revenue Sources for Charitable and Educational Organizations 1975 and 1990 (1990 Dollars, in Billions)

	Contributions		Dues and assessments		Other revenue		Total	
Year	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
1975	$39.4	31.6	$3.5	2.8	$81.7	65.6	$124.6	100.0
1990	80.9	19.9	5.0	1.2	320.5	78.9	406.4	100.0

Source: SOI data.

Table IV.3: Major Revenue Sources for Social Welfare Organizations 1975 and 1990 (1990 Dollars, in Billions)

	Contributions		Dues and assessments		Other revenue		Total	
Year	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
1975	$1.6	4.6	$19.7	58.2	$12.6	37.2	$33.8	100.0
1990	1.7	8.9	2.0	10.6	15.3	80.5	19.0	100.0

Source: SOI data.

APPENDIX V

Table V.1: 1991 Grants from Federal, State, or Local Governments for Charitable and Educational Organizations and Social Welfare Organizations

(Dollars in millions)

	Government grants	Total revenue	Percent of total revenue
Charitable and educational organizations	$38,775	$489,695	8%
Social welfare organizations	648	21,073	3%

Source: SOI Data.

Table VI.1: Forms 990-T Filed, UBIT Paid, 990-T Examinations, and Assessments

(Dollars in millions)

Year	Number of organizations	Filed	UBIT paid	Exams	Assessments
1990	1,022,214	33,757	$127.9	3,013	$15.8
1991	1,053,250	34,936	155.6	2,954	19.3
1992	1,082,959	36,393	181.6	2,336	46.1
1993	1,116,015	37,045	173.6	1,930	19.6

Source: IRS.

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