

porting organization' and 'functionally integrated type III supporting organization' have the meanings given such terms under subparagraphs (A) and (B) section 4943(f)(5) of the Internal Revenue Code of 1986 (as added by this Act), respectively."

**PART III—TAXATION OF BUSINESS INCOME OF CERTAIN EXEMPT ORGANIZATIONS**

Sec.	
511.	Imposition of tax on unrelated business income of charitable, etc., organizations.
512.	Unrelated business taxable income.
513.	Unrelated trade or business.
514.	Unrelated debt-financed income.
515.	Taxes of foreign countries and possessions of the United States.

**AMENDMENTS**

2018—Pub. L. 115-141, div. U, title IV, §401(a)(125), Mar. 23, 2018, 132 Stat. 1190, substituted "Imposition of tax on unrelated business income of charitable, etc., organizations." for "Imposition of tax on unrelated business income of charitable organizations, etc." in item 511.

1969—Pub. L. 91-172, title I, §§ 101(a), 121(d)(3)(C), Dec. 30, 1969, 83 Stat. 492, 548, substituted "PART III" for "PART II" as part designation and substituted "Unrelated debt-financed income" for "Business leases" in item 514.

**§ 511. Imposition of tax on unrelated business income of charitable, etc., organizations**

**(a) Charitable, etc., organizations taxable at corporation rates**

**(1) Imposition of tax**

There is hereby imposed for each taxable year on the unrelated business taxable income (as defined in section 512) of every organization described in paragraph (2) a tax computed as provided in section 11. In making such computation for purposes of this section, the term "taxable income" as used in section 11 shall be read as "unrelated business taxable income".

**(2) Organizations subject to tax**

**(A) Organizations described in sections 401(a) and 501(c)**

The tax imposed by paragraph (1) shall apply in the case of any organization (other than a trust described in subsection (b) or an organization described in section 501(c)(1)) which is exempt, except as provided in this part or part II (relating to private foundations), from taxation under this subtitle by reason of section 501(a).

**(B) State colleges and universities**

The tax imposed by paragraph (1) shall apply in the case of any college or university which is an agency or instrumentality of any government or any political subdivision thereof, or which is owned or operated by a government or any political subdivision thereof, or by any agency or instrumentality of one or more governments or political subdivisions. Such tax shall also apply in the case of any corporation wholly owned by one or more such colleges or universities.

**(b) Tax on charitable, etc., trusts**

**(1) Imposition of tax**

There is hereby imposed for each taxable year on the unrelated business taxable income

of every trust described in paragraph (2) a tax computed as provided in section 1(e). In making such computation for purposes of this section, the term "taxable income" as used in section 1 shall be read as "unrelated business taxable income" as defined in section 512.

**(2) Charitable, etc., trusts subject to tax**

The tax imposed by paragraph (1) shall apply in the case of any trust which is exempt, except as provided in this part or part II (relating to private foundations), from taxation under this subtitle by reason of section 501(a) and which, if it were not for such exemption, would be subject to subchapter J (sec. 641 and following, relating to estates, trusts, beneficiaries, and decedents).

**(c) Special rule for section 501(c)(2) corporations**

If a corporation described in section 501(c)(2)—

(1) pays any amount of its net income for a taxable year to an organization exempt from taxation under section 501(a) (or which would pay such an amount but for the fact that the expenses of collecting its income exceed its income), and

(2) such corporation and such organization file a consolidated return for the taxable year,

such corporation shall be treated, for purposes of the tax imposed by subsection (a), as being organized and operated for the same purposes as such organization, in addition to the purposes described in section 501(c)(2).

(Aug. 16, 1954, ch. 736, 68A Stat. 169; Pub. L. 86-667, §3, July 14, 1960, 74 Stat. 535; Pub. L. 89-352, §2, Feb. 2, 1966, 80 Stat. 4; Pub. L. 91-172, title I, §121(a)(1)-(3), title III, §301(b)(8), title VIII, §803(d)(2), Dec. 30, 1969, 83 Stat. 536, 585, 684; Pub. L. 95-30, title I, §101(d)(6), May 23, 1977, 91 Stat. 133; Pub. L. 95-600, title III, §301(b)(5), title IV, §421(e)(3), Nov. 6, 1978, 92 Stat. 2821, 2876; Pub. L. 97-248, title II, §201(d)(5), formerly §201(c)(5), Sept. 3, 1982, 96 Stat. 419, renumbered §201(d)(5), Pub. L. 97-448, title III, §306(a)(1)(A)(i), Jan. 12, 1983, 96 Stat. 2400; Pub. L. 100-647, title I, §1007(g)(6), Nov. 10, 1988, 102 Stat. 3435.)

**AMENDMENTS**

1988—Subsec. (d). Pub. L. 100-647 struck out subsec. (d) which read as follows: "TAX PREFERENCES.—"

"(1) ORGANIZATIONS TAXABLE AT CORPORATE RATES.— If an organization is subject to tax on unrelated business taxable income pursuant to subsection (a), the tax imposed by section 56 shall apply to such organizations with respect to items of tax preference which enter into the computation of unrelated business taxable income in the same manner as section 56 applies to corporations.

"(2) ORGANIZATIONS TAXABLE AS TRUSTS.—If an organization is subject to tax on unrelated business taxable income pursuant to subsection (b), the taxes imposed by section 55 shall apply to such organization with respect to items of tax preference which enter into the computation of unrelated business taxable income."

1982—Subsec. (d)(2). Pub. L. 97-248 substituted "section 55" for "section 55 and section 56 (as the case may be)".

1978—Subsec. (a)(1). Pub. L. 95-600, §301(b)(5)(A), substituted "a tax" for "a normal tax and a surtax".

Subsec. (a)(2). Pub. L. 95-600, §301(b)(5)(B), substituted "tax" for "taxes" wherever appearing.