

IRS Proposes Compensation Tax Relief For Company Foundations

Tax Notes Federal
08.03.2020

[In this article](#), Shane Hamilton and Anthony Provenzano examine specific exceptions in the proposed regulations under section 4960 that may apply to relieve a for-profit company of liability for the tax on excess remuneration paid to a company employee who also provides uncompensated services to a related private foundation. "Given that many if not most company-sponsored private foundations do not compensate their directors, officers, or other employees, it might be reasonable to assume these rules do not apply when a company-sponsored private foundation pays no compensation," the authors wrote. "However, remuneration received from a related for-profit company generally is included when determining whether the section 4960 tax applies, and for purposes of calculating the amount of the tax, even when the private foundation itself pays no compensation to the employee."