



Tax Insights
from Exempt Organization
Tax Services

IRS released its 2026-2027 exempt organization priority guidance plan

October 5, 2026

In brief

What happened?

Treasury and the IRS on September 29 released the 2026-2027 Priority Guidance Plan, which identifies the guidance projects to which Treasury and the IRS intend to devote resources during the plan year. Notably, the 12-month "plan year" now aligns with the federal government's fiscal year, running from October 1, 2026, through September 30, 2027—a change from the July-to-June cycle used in prior years.

The 2026-2027 plan contains 121 guidance projects, reflecting a continued focus on implementation of the One Big Beautiful Bill Act, deregulation and burden reduction, and other priorities including guidance affecting tax-exempt organizations.

Within the plan's "Tax Exempt Organizations" section, Treasury and the IRS identify five guidance projects:

- Private school tax-exempt status – Final regulations addressing the application of the public policy against racial discrimination in determining Section 501(c)(3) eligibility for private schools (proposed regulations published September 4, 2026)
- Political campaign prohibition – Guidance on the Section 501(c)(3) statutory prohibition against political campaign participation or intervention (the "Johnson Amendment")
- Group exemption letters – Guidance revising Rev. Proc. 2026-08 for certain types of group exemption letters

- Donor advised funds – Guidance under Sections 4966 and 6033 regarding certain donor advised fund arrangements
- Information reporting – Guidance under Section 6033 regarding exempt organization information reporting requirements, including fiscal sponsorship arrangements.

In addition, several other projects elsewhere in the plan directly affect tax-exempt organizations, including:

- Regulations under Section 4960 regarding the excise tax on excess remuneration paid by applicable tax-exempt organizations, including an expanded definition of "covered employee"
- Regulations under Section 4968 regarding the excise tax based on investment income of certain private colleges and universities
- Regulations under Section 4945 regarding private foundation expenditure responsibility requirements
- Final regulations under Section 6034 regarding information reporting by trusts claiming charitable contributions (proposed regulations published August 17, 2026)
- Regulations under Section 6104 regarding the location for public inspection of materials relating to tax-exempt organizations, pensions, and other plans
- Revenue procedures updating determination letter and letter ruling procedures under the jurisdiction of the IRS Tax Exempt and Government Entities Division (Exempt Organizations Rulings and Agreements).

Why is it relevant?

The 2026-2027 Priority Guidance Plan identifies projects that could have significant tax compliance implications for tax-exempt organizations—most notably the anticipated final regulations on private school tax-exempt status and new guidance affecting donor advised funds and group exemption letters.

As in prior years, certain projects included on the 2025-2026 plan were not carried forward to the 2026-2027 plan, either because they were completed or because priorities have shifted. Treasury and the IRS also noted that the plan will be updated periodically throughout the year to reflect new priorities, published guidance, and legislative developments.

Actions to consider

Exempt organizations should monitor forthcoming Treasury and IRS guidance in the areas described above that may affect their tax compliance obligations—particularly sponsoring organizations of donor advised funds, central and subordinate organizations covered by group exemption arrangements, and private schools.

Treasury and the IRS may issue temporary or interim guidance and request public comments on some of these issues. Tax-exempt organizations should consider submitting comments if invited to do so.

Refer to the following PwC Insights for additional information on several of the topics listed in the 2026-2027 Priority Guidance Plan, including:

- [Treasury proposes regulations addressing racial nondiscrimination in private schools](#)
- [Ways and Means Committee advances tax-exempt organization transparency and foreign influence bills](#)
- [Forthcoming Section 4960 regulations will address expanded covered employee definition](#)
- [Treasury announces new Form 990 transparency initiative](#)

Let's talk

For a deeper discussion of how these developments may affect your organization, please reach out to your PwC engagement team or a member of our Exempt Organization Tax Services practice:

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