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FBT Gibbons Partner Rachael High Chamberlain Explains Nonprofit and Not-for-Profit Differences in WSJ Buy Side

The Wall Street Journal's Buy Side quotes FBT Gibbons Partner Rachael High Chamberlain in an article explaining the differences between nonprofit and not-for-profit organizations and what those distinctions can mean for donors, businesses, and tax-exempt organizations.

Chamberlain explains that while the terms are often used interchangeably, "not-for-profit" is sometimes used to describe tax-exempt organizations that do not engage in charitable activities, while "nonprofit" may refer more specifically to charitable organizations. The article notes that federal and state laws generally focus instead on an organization's specific tax-exempt classification, such as 501(c)(3).

She also discusses an important distinction for businesses making payments to tax-exempt organizations. While a payment to a business league or chamber of commerce may not qualify as a charitable contribution, Chamberlain notes that some or all of the cost may be deductible as a business expense.

Chamberlain further addresses the misconception that tax-exempt organizations do not pay taxes, explaining that exemptions can vary at the federal, state, and local levels. In Kentucky, for example, 501(c)(3) organizations may qualify for sales tax exemptions but will only qualify for property tax exemptions in certain circumstances.

Read the full article in *The Wall Street Journal's Buy Side*.