**§939. Prohibitions and requirements applicable to corporations which are private foundations**

**1. Prohibitions.**  No corporation which is a "private foundation" as defined in section 509 (a) of the Internal Revenue Code of 1954, shall:

A. Engage in any act of "self-dealing," as defined in section 4941 (d) of the Internal Revenue Code of 1954, which would give rise to any liability for the tax imposed by section 4941 (a) of the Internal Revenue Code of 1954; [PL 1971, c. 622, §52 (NEW).]

B. Retain any "excess business holdings," as defined in section 4943 (c) of the Internal Revenue Code of 1954, which would give rise to any liability for the tax imposed by section 4943 (a) of the Internal Revenue Code of 1954; [PL 1971, c. 622, §52 (NEW).]

C. Make any investment which would jeopardize the carrying out of any of its exempt purposes, within the meaning of section 4944 of the Internal Revenue Code of 1954, so as to give rise to any liability for the tax imposed by section 4944 (a) of the Internal Revenue Code of 1954; and [PL 1971, c. 622, §52 (NEW).]

D. Make any "taxable expenditures," as defined in section 4945 (d) of the Internal Revenue Code of 1954, which would give rise to any liability for the tax imposed by section 4945 (a) of the Internal Revenue Code of 1954. [PL 1977, c. 622, §52 (NEW).]

[PL 1971, c. 622, §52 (NEW).]

**2. Requirements.**  Each corporation which is a "private foundation" as defined in section 509 of the Internal Revenue Code of 1954 shall distribute, for the purposes specified in its certificate of incorporation, for each taxable year, amounts at least sufficient to avoid liability for the tax imposed by section 4942 (a) of the Internal Revenue Code of 1954.

[PL 1971, c. 622, §52 (NEW).]

**3. Application.**  Subsections 1 and 2 shall not apply to any corporation to the extent that a court of competent jurisdiction shall determine that such application would be contrary to the terms of the certificate of incorporation or other instrument governing such corporation or governing the administration of charitable funds held by it and that the same may not properly be changed to conform to such subsections.

[PL 1971, c. 622, §52 (NEW).]

**4. Impairment.**  Nothing in this section shall impair the rights and powers of the courts or the Attorney General of this State with respect to any corporation.

[PL 1971, c. 622, §52 (NEW).]

**5. References.**  All references to sections of the Internal Revenue Code of 1954 shall include future amendments to such sections and corresponding provisions of future internal revenue laws.

[PL 1971, c. 622, §52 (NEW).]

SECTION HISTORY

PL 1971, c. 622, §52 (NEW).

The State of Maine claims a copyright in its codified statutes. If you intend to republish this material, we require that you include the following disclaimer in your publication:

*All copyrights and other rights to statutory text are reserved by the State of Maine. The text included in this publication reflects changes made through the First Regular and First Special Session of the 131st Maine Legislature and is current through November 1. 2023
 . The text is subject to change without notice. It is a version that has not been officially certified by the Secretary of State. Refer to the Maine Revised Statutes Annotated and supplements for certified text.*

The Office of the Revisor of Statutes also requests that you send us one copy of any statutory publication you may produce. Our goal is not to restrict publishing activity, but to keep track of who is publishing what, to identify any needless duplication and to preserve the State's copyright rights.

PLEASE NOTE: The Revisor's Office cannot perform research for or provide legal advice or interpretation of Maine law to the public. If you need legal assistance, please contact a qualified attorney.