



One-Time Filing Relief for Tax-Exempt Organizations

Tax-exempt organizations of all sizes, with the exception of churches and most church-related organizations, are required to file a Form 990, 990-EZ, 990-PF or 990-N (e-Postcard) annually. Exempt organizations that fail to file for three consecutive years automatically lose their tax-exempt status.

May 17, 2010, was the first filing deadline to trigger non-filer revocation actions, and over 300,000 organizations did not file a return. In an effort to help them keep their status, the IRS is offering a one-time, two-part filing relief program to bring small organizations back into compliance.

Two-Part Filing Relief Program

First, the IRS is extending the filing deadline to October 15, 2010, for the smallest organizations. Those with gross receipts of \$25,000 or less have to file the simple [Form 990-N](#), the e-postcard, which only requests eight information items. If an organization goes to our website, [IRS.gov](#), supplies those eight items, and files electronically by October 15, it will be back in compliance and its tax-exempt status will be intact.

The second part of the relief program is for somewhat larger organizations, those that are eligible to file the Form 990-EZ. These groups can take advantage of our voluntary compliance program. Under this program, they file their three delinquent returns and pay a small compliance fee. As long as they file by October 15, they will not lose their tax exemption.

Go to [www.IRS.gov](#) and search for “[Filing Phase-In](#)” to determine which form an organization is eligible to file.

Note: the One-Time Filing Relief program is not an option for larger organizations that are required to file Form 990 - or private foundations that are required to file Form 990-PF.

Organizations in Jeopardy of Losing Exemption

The IRS posted a list of names and last-known addresses of possible at-risk organizations, sorted by state, at

[www.irs.gov/thelist](#). These organizations have return due dates from May 17 through October 15, 2010, but as of June 30, the IRS had no record that the organizations filed a required annual return or notice for 2007, 2008 or 2009.

[www.irs.gov/thelist](#) also explains who can participate in the one-time filing relief program, what an organization must do to avoid losing its tax-exempt status, and helpful resource tools to inform organizations of the October 15 deadline.

Consequences of Not Filing

An organization that does not file for three consecutive years automatically loses its tax-exempt status. Because it will no longer be tax exempt, the organization may be required to file either file Form 1120, *U.S. Corporation Income Tax Return*, or Form 1041, *U.S. Income Tax Return for Estates and Trusts*, and pay any applicable income taxes.

In addition, an organization that is automatically revoked is not eligible to receive tax-deductible contributions and will be removed from Publication 78.

Reinstatement of Tax-Exempt Status

In order for an organization to regain its tax exemption, it must apply for IRS recognition of exemption by filing Form 1023 (for 501(c)(3) organizations) or Form 1024 (for organizations exempt under other Code sections) and pay the appropriate application fee.

More Information

[www.IRS.gov/eo](#) - Charities/Non-Profit page [EO Update Newsletter](#) – Sign up and stay informed of the latest IRS news for exempt organizations

[StayExempt.irs.gov](#) – Interactive web-based training workshop and mini-courses for exempt organizations

[Life Cycle](#) – Explanatory information on establishing and maintaining an exempt organization. Select the “Life Cycle” link at [www.IRS.gov/eo](#)