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IRS Filing Requirement For Small Tax-Exempt Organizations

Tax-exempt organizations with \$50,000 or less in annual gross receipts are required to file annual returns with the IRS.¹ To lessen their burden, these organizations may file Form 990-N (or “e-Postcard”) rather than Form 990 or 990-EZ, as the case may be.

Who must file: Non-profits with tax-exempt status whose annual gross receipts are normally less than \$50,000. If your annual gross receipts are more than \$50,000, you should be filing Form 990 or Form 990-EZ. Exceptions to this requirement to file the Form 990-N include organizations that are included in a group return, private foundations required to file Form 990-PF, and section 509(a)(3) supporting organizations.

How to file: The e-Postcard must be filed electronically. There is no paper form. The IRS makes the e-Postcard available in an internet based format, so no special software is required. However, you will need to have access to a computer with internet access.

When to file: The e-Postcard is due every year by the 15th day of the fifth month after the close of your tax period. For example, if your tax period ends on December 31, 2011, the e-postcard is due on May 15, 2012; for a tax period ending June 30, 2011, the e-Postcard is due November 15, 2011.

Consequences of not filing the e-Postcard: If you fail to file the e-Postcard for three consecutive years, the IRS will revoke your tax-exempt status. If your status is revoked, you will have to reapply for exemption and pay the related user fee.² It is therefore very important that the IRS has your current address. If you believe the IRS has an incorrect address, you should complete and submit IRS Form 8822 *Change of Address*.

Information Required on the e-Postcard: The e-Postcard does not require extensive information. You will be required to provide the following: name and contact details of your organization and a principal officer of your organization, your EIN, your tax year end date, a statement that your organization’s annual gross receipts are still normally less than \$50,000, and (if applicable) and indication of whether your organization is terminating.

¹ The IRS set different thresholds for the transitional tax years 2007 through 2009. These thresholds are available at <http://www.irs.gov/charities/article/0,,id=184445,00.html>.

² For additional information, see the August 2011 Lawyers Alliance Legal Alert on IRS Automatic Revocation of Exemption for Organization that Failed to File for Three Years, available at www.lawyersalliance.org/news_legal_alerts.php#3.

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