



## **New IRS Filing Requirement For Small Tax-Exempt Organizations**

On November 15, 2007, the IRS published new regulations that apply to small tax-exempt organizations. Until now, tax-exempt organizations with \$25,000 or less in annual gross receipts have not been required to file annual returns with the IRS. However, beginning in 2008, these organizations will be required to file the new Form 990-N, or e-Postcard.

**Who must file:** Non-profits with tax-exempt status whose annual gross receipts are normally less than \$25,000. If your annual gross receipts are more than \$25,000, 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 will be no paper form. The IRS plans to make the e-Postcard available in an internet-based format, so no special software will be required. However, you will need a computer with internet access.

**When to file:** Beginning in 2008, the e-Postcard will be 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, 2007, the e-postcard is due on May 15, 2008.

**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. 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 need 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 \$25,000, and (if applicable) an indication of whether your organization is terminating.

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