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Help for Small Tax-Exempts that Missed Filing Deadline

May 17, 2010 was the deadline for all tax-exempt organizations to file returns with the Internal Revenue Service (IRS) for 3 consecutive years or have their tax-exempt status automatically revoked. Now, the IRS is attempting to assist those who missed the deadline.

The IRS will send letters to these organizations informing them that their tax-exempt status has been revoked for failure to file. Loss of exempt status means an organization must file income tax returns and pay income tax, and its contributors will not be able to deduct their donations.

Most tax-exempt organizations (other than churches and church-related organizations) must file an annual return or notice with the IRS. Here is a summary of the 2009 tax-exempt organization filing requirements:

Financial Activity	Filing Requirement
Gross receipts normally ≤ \$25,000	990-N (e-Postcard)
Gross receipts < \$ 500,000 and Total assets < \$1.25 million	990-EZ or 990
Gross receipts ≥ \$500,000, or Total assets ≥ \$1.25 million	990
Private foundation (regardless of financial activity)	990-PF

Beginning with tax years ended on or after December 31, 2007, small tax-exempt organizations (gross receipts normally \$25,000 or less) were required to file Form 990-N, *Electronic Notice (e-Postcard) for Tax-Exempt Organizations Not Required To File Form 990 or 990-EZ*. Prior to 2007, these small organizations were not required to file annually with the IRS.

The IRS has conducted an unprecedented outreach effort in the tax-exempt sector regarding the small tax-

exempt filing requirements, but many of these smaller organizations are just now learning of the May 17th deadline. The IRS will be providing additional guidance in the near future on how it will help these organizations maintain their tax-exempt status, even if they missed the May 17th deadline. The guidance will offer relief to these small organizations and provide them with the opportunity to keep their critical tax-exempt status intact.

Small organizations that have missed the May 17th deadline are strongly encouraged to file Form 990-N as soon as possible. Form 990-N can be filed electronically at <http://epostcard.form990.org>. The notice takes minutes to fill out and requires only a few basic pieces of information.^h

For more information, contact Senior Tax Manager Jason Chin at (631) 719-3261, JChin@hrrllp.com.

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