



News Release

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New 1023-EZ Form Makes Applying for 501(c)(3) Tax-Exempt Status Easier; Most Charities Qualify

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WASHINGTON — The Internal Revenue Service today introduced a new, shorter application form to help small charities apply for 501(c)(3) tax-exempt status more easily.

"This is a common-sense approach that will help reduce lengthy processing delays for small tax-exempt groups and ultimately larger organizations as well," said IRS Commissioner John Koskinen. "The change cuts paperwork for these charitable groups and speeds application processing so they can focus on their important work."

The new Form 1023-EZ, available today on IRS.gov, is three pages long, compared with the standard 26-page Form 1023. Most small organizations, including as many as 70 percent of all applicants, qualify to use the new streamlined form. Most organizations with gross receipts of \$50,000 or less and assets of \$250,000 or less are eligible.

"Previously, all of these groups went through the same lengthy application process -- regardless of size," Koskinen said. "It didn't matter if you were a small soccer or gardening club or a major research organization. This process created needlessly long delays for groups, which didn't help the groups, the taxpaying public or the IRS."

The change will allow the IRS to speed the approval process for smaller groups and free up resources to review applications from larger, more complex organizations while reducing the application backlog. Currently, the IRS has more than 60,000 501(c)(3) applications in its backlog, with many of them pending for nine months.

Following feedback this spring from the tax community and those working with charitable groups, the IRS refined the 1023-EZ proposal for today's announcement, including revising the \$50,000 gross receipts threshold down from an earlier figure of \$200,000.

"We believe that many small organizations will be able to complete this form without creating major compliance risks," Koskinen said. "Rather than using large amounts of IRS resources up front reviewing complex applications during a lengthy process, we believe the streamlined form will allow us to devote more compliance activity on the back end to ensure groups are actually doing the charitable work they apply to do."

The [new EZ form](#) must be filed online. The [instructions](#) include an eligibility checklist that organizations must complete before filing the form.

The Form 1023-EZ must be filed using pay.gov, and a \$400 user fee is due at the time the form is submitted. Further details on the new Form 1023-EZ application process can be found in [Revenue Procedure 2014-40](#), posted today on IRS.gov.

There are more than a million 501(c)(3) organizations recognized by the IRS.

Related Item:

[Information on Form 1023-EZ](#)