

IRS News Release

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IRS Reminds Small Charities to Check Their Reporting Requirements Because They May Have Gotten Simpler

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WASHINGTON — The Internal Revenue Service today announced that small tax-exempt organizations may be able to shift to the simpler Form 990-N (e-Postcard) for their 2010 annual information reporting.

The IRS today issued guidance (Revenue Procedure 2011-15) that will allow more tax-exempt organizations to file the e-Postcard rather than the Form 990-EZ or the standard Form 990.

For tax years beginning on or after Jan. 1, 2010, most tax-exempt organizations whose gross annual receipts are normally \$50,000 or less can file the e-Postcard. The threshold was previously set at \$25,000 or less. (However, supporting organizations of any size must file the standard Form 990 or, if eligible, Form 990-EZ).

A tax-exempt organization's annual gross receipts or total assets are used to determine which of the three versions of Form 990 it is required to file. For more information visit the [Form 990 Series-Which Form to File](#) page on IRS.gov.

The [Pension Protection Act of 2006](#) made important changes to rules regarding tax-exempt organizations' annual filing requirements, which took effect as of the beginning of 2007.

First, it mandated that small tax-exempt organizations, other than churches and church-related organizations, file an annual notice with the IRS if they were too small to file Form 990 or Form 990-EZ. (The Form 990-N was created for small tax-exempt organizations that had not previously had a filing requirement.) Second, it required all supporting organizations, regardless of their size, to file the standard Form 990 or Form 990-EZ. Finally, the law specifies that any tax-exempt organization that fails to file for three consecutive years automatically loses its federal tax-exempt status.

Any tax-exempt organization that has not yet complied with these new requirements should do so immediately. If an organization loses its exemption, it will have to reapply with the IRS to regain its tax-exempt status. Any income received between the revocation date and renewed exemption may be taxable.