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SECTION 1. PURPOSE

This revenue procedure sets forth procedures for applying for and for issuing determination letters on the exempt status under § 501(c)(3) of the Internal Revenue Code (Code) using Form 1023-EZ, *Streamlined Application for Recognition of Exemption under Section 501(c)(3) of the Internal Revenue Code*. This revenue procedure is generally available for certain U.S. organizations with assets of \$250,000 or less and annual gross receipts of \$50,000 or less.

.01 For purposes of this revenue procedure –

- (1) The “Service” means the Internal Revenue Service.
- (2) An “eligible organization” is an organization that is eligible to submit Form 1023-EZ. U.S. organizations with both assets valued at \$250,000 or less and annual gross receipts of \$50,000 or less may submit Form 1023-EZ unless the organization is designated in section 2 as an organization that is not eligible to submit Form 1023-EZ.
- (3) “EO Determinations” means the office of the Service that is primarily responsible for processing applications for tax-exempt status. It includes the main EO Determinations office located in Cincinnati, Ohio, and other field offices that are under the direction and control of the Director, EO Rulings and Agreements. Applications are generally processed in the centralized EO Determinations office in Cincinnati, Ohio. However, some applications may be processed in other EO Determinations offices.
- (4) “Appeals Office” means any office under the direction and control of the Chief, Appeals. The purpose of the Appeals Office is to resolve tax controversies, without litigation, on a fair and impartial basis. The Appeals office is independent of EO Determinations.
- (5) A “determination letter” means a written statement issued by EO Determinations or an Appeals Office in response to an application for recognition of exemption from Federal income tax under § 501. This includes a written statement issued by EO Determinations or an Appeals Office on the basis of technical advice pursuant to the procedures prescribed in Rev. Proc. 2014-5, 2014-1 I.R.B. 169.
- (6) “Form 1023-EZ” means the Form 1023-EZ, *Streamlined Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code*, which is the application used by eligible organizations to apply for recognition of exemption under § 501(c)(3) pursuant to this revenue procedure.

- (7) "Form 1023" means the Form 1023, *Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code*, which is the application used to apply for recognition of exemption under § 501(c)(3) pursuant to Rev. Proc. 2014-9, 2014-2 I.R.B. 281.

SECTION 2. ELIGIBILITY

.01 The following organizations are not eligible organizations and must use Form 1023 to apply for recognition of exemption under § 501(c)(3):

- (1) Organizations with projected annual gross receipts of more than \$50,000 in either the current taxable year or the next 2 years.
- (2) Organizations with annual gross receipts that have exceeded \$50,000 in any of the past 3 years.
- (3) Organizations with total assets the fair market value of which is in excess of \$250,000. For purposes of this eligibility requirement, a good faith estimate of the fair market value of the organization's assets is sufficient.
- (4) Organizations formed under the laws of a foreign country (United States territories and possessions are not considered foreign countries).
- (5) Organizations that do not have a mailing address in the United States (territories and possessions are considered the United States for this purpose).
- (6) Organizations that are successors to, or controlled by, an entity suspended under § 501(p) (suspension of tax-exempt status of terrorist organizations).
- (7) Organizations that are not corporations, unincorporated associations, or trusts.
- (8) Organizations that are successors to a for-profit entity.
- (9) Organizations that were previously revoked or that are successors to a previously revoked organization (other than an organization the tax-exempt status of which was automatically revoked for failure to file a Form 990 series return or notice for three consecutive years).
- (10) Churches or conventions or associations of churches described in § 170(b)(1)(A)(i).
- (11) Schools, colleges, or universities described in § 170(b)(1)(A)(ii).
- (12) Hospitals or medical research organizations described in § 170(b)(1)(A)(iii) or § 501(r)(2)(A)(i). Cooperative hospital service organizations described in § 501(e).
- (13) Cooperative service organizations of operating educational organizations described in § 501(f).
- (14) Qualified charitable risk pools described in § 501(n).
- (15) Supporting organizations described in § 509(a)(3).
- (16) Organizations that have as a substantial purpose providing assistance to individuals through credit counseling activities such as budgeting, personal finance, financial literacy, mortgage foreclosure assistance, or other consumer credit areas.

- (17) Organizations that invest, or intend to invest, 5 percent or more of their total assets in securities or funds that are not publicly traded.
- (18) Organizations that participate, or intend to participate, in partnerships (including entities or arrangements treated as partnerships for Federal tax purposes) in which they share profits and losses with partners other than § 501(c)(3) organizations.
- (19) Organizations that sell, or intend to sell, carbon credits or carbon offsets.
- (20) Health Maintenance Organizations (HMOs).
- (21) Accountable Care Organizations (ACOs), or organizations that engage in, or intend to engage in, ACO activities (such as participation in the Medicare Shared Savings Program (MSSP) or in activities unrelated to the MSSP described in Notice 2011-20, 2011-16 I.R.B. 652).
- (22) Organizations that maintain, or intend to maintain, one or more donor advised funds.
- (23) Organizations that are organized and operated exclusively for testing for public safety and that are requesting a foundation classification under § 509(a)(4).
- (24) Private operating foundations.
- (25) Organizations that are applying for retroactive reinstatement of exemption under sections 5 or 6 of Rev. Proc. 2014-11, 2014-3 I.R.B. 411, after being automatically revoked.

Further information regarding these eligibility requirements may be provided in the *Instructions for Form 1023-EZ*.

.02 Terrorist organizations. An organization that is identified or designated as a terrorist organization within the meaning of § 501(p)(2) is not eligible to apply for recognition of exemption.

SECTION 3. RELATED REVENUE PROCEDURES AND EFFECT ON OTHER REVENUE PROCEDURES

.01 Rev. Proc. 2014-9, 2014-2 I.R.B. 281, sets forth procedures for issuing determination letters and rulings on the exempt status of organizations under §§ 501 and 521. Those procedures do not apply to determination letters issued under this revenue procedure except to the extent specifically noted herein. This revenue procedure amplifies Rev. Proc. 2014-9 by providing alternative application and processing procedures for Form 1023-EZ, which may be used by eligible organizations seeking recognition of exemption under § 501(c)(3).

.02 Rev. Proc. 2014-10, 2014-2 I.R.B. 293, sets forth procedures for issuing rulings and determination letters on private foundation status under § 509(a). This revenue

procedure amplifies Rev. Proc. 2014-10 by providing that the private foundation status of an organization may be determined when an eligible organization submits a Form 1023-EZ.

.03 Rev. Proc. 2014-8, 2014-1 I.R.B. 242, sets forth user fees for requests for a determination letter. This revenue procedure supplements Rev. Proc. 2014-8 by establishing the user fee for submitting a Form 1023-EZ pursuant to this revenue procedure.

.04 Rev. Proc. 2014-4, 2014-1 I.R.B. 125, sets forth procedures regarding the Service's provision of guidance to taxpayers on issues under the jurisdiction of the Commissioner, Tax Exempt and Government Entities Division. This revenue procedure amplifies Rev. Proc. 2014-4 by providing that EO Determinations may also issue determination letters on initial qualification for exempt status of organizations described in § 501(c)(3) that applied using Form 1023-EZ, in accordance with this revenue procedure.

.05 Rev. Proc. 2014-5, 2014-1 I.R.B. 169, sets forth procedures regarding the issuance of technical advice in exempt organizations matters. This revenue procedure amplifies Rev. Proc. 2014-5 by providing that technical advice may also be sought and issued in the circumstances described in this revenue procedure.

.06 Rev. Proc. 2014-11, 2014-3 I.R.B. 411, sets forth procedures for reinstating the tax-exempt status of organizations that have had their tax-exempt status automatically revoked under § 6033(j)(1). This revenue procedure amplifies Rev. Proc. 2014-11 by providing that eligible organizations may apply for reinstatement under Rev. Proc. 2014-11 by submitting a Form 1023-EZ instead of a Form 1023. Form 1023-EZ is considered to be an "Application" within the meaning of section 2.01(1) of Rev. Proc. 2014-11.

.07 Any reference herein to an annual revenue procedure listed in sections 3.01 through 3.05 also refers to any successor to that revenue procedure.

SECTION 4. PROCEDURES FOR REQUESTING RECOGNITION OF EXEMPT STATUS UNDER § 501(c)(3)

.01 In general. Unless subject to a specific exception, all organizations seeking tax-exempt status under § 501(c)(3) must, as a condition of exemption, apply for recognition of exempt status with the Service. An eligible organization may, but is not required to, seek recognition of tax-exempt status under § 501(c)(3) by submitting a Form 1023-EZ in accordance with this revenue procedure. Alternatively, an eligible organization may

follow the procedures in Rev. Proc. 2014-9, to seek recognition of exemption under § 501(c)(3) by submitting a Form 1023.

.02 Application. An eligible organization seeking recognition of exempt status under § 501(c)(3) using this revenue procedure must submit a completed Form 1023-EZ. See section 4.05 for a definition of completed Form 1023-EZ. An incomplete Form 1023-EZ will not be accepted for processing by the Service even if it has been successfully submitted through www.pay.gov. See section 5.02(1).

.03 User fee. An application submitted under this revenue procedure must include the correct user fee, which is \$400. In future years, the user fee shall be set forth in a successor revenue procedure to Rev. Proc. 2014-8.

.04 Method of submission. An eligible organization seeking recognition of tax exempt status under § 501(c)(3) using this revenue procedure must submit the Form 1023-EZ and user fee online at www.pay.gov. Paper submissions will not be accepted and will be treated as incomplete Forms 1023-EZ as described in section 5.02(1).

.05 Requirements for a completed Form 1023-EZ. For purposes of this revenue procedure, a Form 1023-EZ submitted by an eligible organization is completed if it:

- (1) includes responses for each required line item of the form, including an accurate date of organization and an attestation that the organization has completed the Form 1023-EZ eligibility worksheet, as in effect on the date of submission, is eligible to apply for exemption using Form 1023-EZ, and has read the *Instructions for Form 1023-EZ* and understands the requirements to be exempt under § 501(c)(3) as expressed therein;
- (2) includes the organization's correct Employer Identification Number (EIN);
- (3) is electronically signed, under penalties of perjury, by an individual authorized to sign for the organization (as specified in the *Instructions for Form 1023-EZ*); and
- (4) is accompanied by the correct user fee specified in Section 4.03.

A Form 1023-EZ will not be considered completed if the organization's name and EIN do not match the records in the Service's Business Master File. Furthermore, a Form 1023-EZ submitted by an organization that is not an eligible organization will not be considered completed.

.06 Form 1023-EZ from an organization with a pending Form 1023.

- (1) The Service will accept for processing a completed Form 1023-EZ from an eligible organization that has a Form 1023 pending with the Service, provided that the Form 1023 has not yet been assigned for review. The Form 1023-EZ will be treated as a written request for withdrawal of the pending Form 1023, and the Form 1023 will be treated as withdrawn as described in section 6 of Rev. Proc. 2014-9. The user fee paid for the Form 1023 will generally not be refunded. See section 6 of Rev. Proc. 2014-9. In addition, the filing date of the Form 1023-EZ (not the withdrawn Form 1023) will be treated as the date that the organization provided the notice required under § 508 to the Service. If the filing date of the Form 1023-EZ is within 27 months from the end of the month in which it was organized, the organization may be recognized as exempt from the date it was organized. If it is not, then the organization's exemption, if granted, will generally be effective from the date the Form 1023-EZ was filed. See section 8 below.
- (2) The Service will not accept for processing a completed Form 1023-EZ from an eligible organization that has a Form 1023 pending with the Service if the Form 1023 has already been assigned for review. If this section 4.06(2) applies, an organization will be notified of the non-acceptance of the Form 1023-EZ and any user fee that was paid with the Form 1023-EZ will be refunded, as described in section 5.02(3).

.07 No expedited handling. An organization may not request expedited handling of a Form 1023-EZ submitted under this revenue procedure.

SECTION 5. STANDARDS FOR ISSUING A DETERMINATION LETTER ON EXEMPT STATUS UNDER § 501(c)(3)

.01 In general. This section sets forth procedures that the Service will use to process a Form 1023-EZ.

.02 Non-acceptance for processing of Forms 1023-EZ.

- (1) A submitted Form 1023-EZ that is not completed within the meaning of section 4.05 will not be accepted for processing by the Service. The Service may, but is not required to, request additional information under section 5.03 to verify that a Form 1023-EZ is completed. If an organization's Form 1023-EZ is not accepted for processing, it will be notified of the non-acceptance of its application and any user fee that was paid will be refunded. An eligible organization may then submit a properly completed Form 1023-EZ with a new user fee online at www.pay.gov. Alternatively, an eligible organization may apply on a Form 1023 under the procedures described in Rev. Proc. 2014-9.

- (2) The Service will not accept for processing a Form 1023-EZ from an organization if the organization has an application for recognition of tax-exempt status other than a Form 1023 (e.g., Form 1024, *Application for Recognition of Exemption under Section 501(a)*) pending with the Service. An organization will be notified of the non-acceptance of the Form 1023-EZ, and any user fee that was paid with the Form 1023-EZ will be refunded.
- (3) The Service will not accept for processing a Form 1023-EZ from an eligible organization if the organization has a Form 1023 pending with the Service that has been assigned for review. See section 4.06. An organization will be notified of the non-acceptance of the Form 1023-EZ, and any user fee that was paid with the Form 1023-EZ will be refunded.

.03 Additional information may be required. The Service may request additional information from any organization before accepting a Form 1023-EZ for processing or making a determination of exempt status. Additionally, the Service will select a statistically valid random sample of Forms 1023-EZ for pre-determination reviews, which may also result in requests for additional information. If the Service requests information prior to accepting a Form 1023-EZ for processing and the organization fails to respond to a request for additional information, the application will not be accepted for processing. In the case of a Form 1023-EZ that has been accepted for processing by the Service, a failure to respond to a request for additional information will result in the closure of the application without a determination letter being issued and without a refund of the user fee.

.04 Issuance of determination letter. A favorable determination letter will be issued to an organization only if the attestations contained in the organization's completed and accepted Form 1023-EZ (along with any additional information requested by the Service and provided by the organization) are consistent with requirements for exemption under section 501(c)(3). Exempt status may be recognized in advance of the organization's operations. The determination letter will also classify the organization as either a "public charity" or a "private foundation," consistent with the attestations made and any additional information provided by the organization upon request by the Service.

.05 Adverse determination letters and appeal procedure. If the Service concludes, including based on additional information provided under section 5.03, that the organization does not satisfy the requirements for exemption under § 501(c)(3), the Service generally will issue a proposed adverse determination letter, which will:

- (1) include the Service's rationale for the proposed denial of tax-exempt status; and

- (2) advise the organization of its opportunity to appeal the decision and request a conference.

An organization receiving a proposed adverse determination letter will be subject to the procedures described in section 7 of Rev. Proc. 2014-9. Upon issuance of a final adverse determination letter, an organization's proposed adverse and final adverse determination letters are subject to disclosure to the public and state officials as described below in sections 7.02 and 7.03. An adverse determination letter issued under this section 5.05 is a final determination to which § 7428 applies. See section 6. Note, however, that the non-acceptance of a Form 1023-EZ under section 5.02 is not a proposed or final adverse determination.

.06 Requests for technical advice. EO Determinations is responsible for the issuance of determination letters to eligible organizations seeking recognition of exempt status under § 501(c)(3) pursuant to this revenue procedure. See Rev. Proc. 2014-4. However, technical advice on a Form 1023-EZ submitted and accepted for processing pursuant to this revenue procedure may be requested by EO Determinations or by an organization pursuant to the procedures described in section 5 of Rev. Proc. 2014-9 and sections 4.04 and 4.05 of Rev. Proc. 2014-5.

.07 Withdrawal of a Form 1023-EZ. A Form 1023-EZ may only be withdrawn upon the written request of an authorized individual prior to the issuance of a determination letter (including a proposed adverse determination letter).

- (1) When a Form 1023-EZ is withdrawn, the Service will retain the application. The Service may consider the information submitted in connection with the withdrawn request in a subsequent examination of the organization.
- (2) Generally, the user fee will not be refunded if an application is withdrawn. See Rev. Proc. 2014-8, section 10.

SECTION 6. DECLARATORY JUDGMENT PROVISIONS OF § 7428

.01 General description. Generally, a declaratory judgment proceeding under § 7428 can be filed in the United States Tax Court, the United States Court of Federal Claims, or the district court of the United States for the District of Columbia with respect to an actual controversy involving a determination by the Service or a failure of the Service to make a determination with respect to the initial or continuing qualification or classification of an organization under § 501(c)(3) (charitable, educational, etc.); § 170(c)(2) (deductibility of contributions); § 509(a) (private foundation status); § 4942(j)(3) (operating foundation status); or § 521 (farmers' cooperative).

.02 Exhaustion of administrative remedies. Before filing a declaratory judgment action, an organization must exhaust its administrative remedies by taking, in a timely manner, all reasonable steps to secure a determination from the Service. For purposes of this revenue procedure, these reasonable steps include:

- (1) the filing by an organization of a completed Form 1023-EZ (within the meaning of section 4.05);
- (2) in appropriate cases (i.e., where the organization did not submit Form 1023-EZ within 27 months after the end of the month in which it was organized and seeks an effective date earlier than its submission date), requesting relief pursuant to Treas. Reg. § 301.9100–1 of the Procedure and Administration Regulations regarding the extension of time for making an election or application for relief from tax;
- (3) the timely submission of all additional information requested by the Service in accordance with section 5.03; and
- (4) the exhaustion of all administrative appeals available within the Service pursuant to section 7 of Rev. Proc. 2014-9.

.03 Service must have reasonable time to act on an appeal. The steps described in section 6.02 will not be considered completed until the Service has had a reasonable time to act upon an appeal.

.04 Exhaustion of administrative remedies no earlier than 270 days after seeking determination and taking all reasonable steps to secure a determination letter. An eligible organization that has submitted Form 1023-EZ will in no event be deemed to have exhausted its administrative remedies prior to the earlier of:

- (1) the completion of the steps in section 6.02 and the sending by the Service by certified or registered mail of a final determination letter; or
- (2) the expiration of the 270-day period described in § 7428(b)(2) in a case in which the Service has not issued a final determination letter, and the eligible organization has taken, in a timely manner, all reasonable steps to secure a determination letter.

.05 Final determination to which § 7428 applies. Section 7428 only applies to final determinations. The final determinations to which § 7428 applies are described in section 10.05 of Rev. Proc. 2014-9. The non-acceptance of a Form 1023-EZ under section 5.02 is not a final determination to which § 7428 applies. In addition, an organization will not be considered to have exhausted its administrative remedies by completing the steps in section 6.02 if the organization was not eligible to submit Form 1023-EZ, as described in section 2.01.

.06 Treatment of withdrawals and non-accepted applications. The Service does not consider the withdrawal of an application pursuant to section 5.07 or the non-acceptance of an application pursuant to section 5.02 as a failure to make a determination within the meaning of § 7428(a)(2), or an exhaustion of administrative remedies within the meaning of § 7428(b)(2). The 270-day period referred to in § 7428(b)(2) will not be considered to have started prior to the date a completed Form 1023-EZ is submitted to the Service. If the Service requests additional information from an organization pursuant to section 5.03, the period of time beginning on the date the Service requests additional information until the date the information is submitted to the Service will not be counted for purposes of the 270-day period referred to in § 7428(b)(2).

SECTION 7. DISCLOSURE OF APPLICATIONS AND DETERMINATION LETTERS

Sections 6104 and 6110 provide rules for the disclosure of applications, including any additional information received by the Service from the organization pursuant to section 5.03, and determination letters.

.01 Disclosure of favorable determinations. The favorable determination letters issued by the Service and the associated Forms 1023-EZ (including any additional information received by the Service from the organization) are available for public inspection under § 6104(a)(1). However, there are certain limited disclosure exceptions for a trade secret, patent, process, style of work, or apparatus, if the Service determines that the disclosure of the information would adversely affect the organization.

(1) The Service is required to make favorable determination letters and the associated applications available upon request. The public can request this information by submitting Form 4506-A, *Request for Public Inspection or Copy of Exempt or Political Organization IRS Form*. Organizations applying for exemption should ensure that their applications do not include unnecessary personal identifying information (such as bank account numbers or social security numbers) that could result in identity theft or other adverse consequences if publicly disclosed.

(2) The exempt organization is required to make its exemption application and determination letter available for public inspection without charge. For more information about the exempt organization's disclosure obligations, see Publication 557, *Tax-Exempt Status for Your Organization*.

.02 Disclosure of adverse determinations. The Service is required to make adverse determination letters available for public inspection under § 6110 after the deletion of names, addresses, and other identifying information. Upon issuance of a final adverse determination letter to an eligible organization pursuant to section 5.05, both the proposed adverse determination letter and the final adverse determination letter will be available for public inspection in accordance with section 8.02 of Rev. Proc. 2014-9.

.03 Disclosure to state officials.

- (1) The Service may disclose to State officials the name, address, and EIN of any organization that has applied for recognition of exemption under § 501(c)(3), including an organization that applies using Form 1023-EZ under this revenue procedure.
- (2) The Service may notify the appropriate State officials of a refusal to recognize an organization as tax-exempt under § 501(c)(3). See § 6104(c). The Service does not consider the non-acceptance of an application under section 5.02 to be a refusal. See section 8.03 of Rev. Proc. 2014-9, for more information about disclosure in cases where the Service refuses to recognize an organization as exempt under § 501(c)(3).

SECTION 8. EFFECT OF DETERMINATION LETTER RECOGNIZING EXEMPTION

.01 Effective date of exemption. A determination letter recognizing exemption of an organization described in § 501(c)(3) is usually effective as of the date of formation of an organization if: (1) its purposes and activities prior to the date of the determination letter have been consistent with the requirements for exemption; (2) it has not failed to file required Form 990 series returns or notices for three consecutive years; and (3) it has submitted an application for recognition of exemption within 27 months from the end of the month in which it was organized. Special rules may apply to certain organizations applying for exemption under § 501(c)(3). See § 508, and Treas. Reg. §§ 1.508-1(a)(2), 1.508-1(b)(7), and 301.9100-2(a)(2)(iv).

- (1) If the Service requires the organization to alter its activities or make substantive amendments to its enabling instrument, the exemption will be effective as of the date specified in the determination letter.

- (2) If an eligible organization has submitted a Form 1023-EZ within 27 months from the end of the month in which it was organized and the Service requires the organization to make a nonsubstantive amendment, exemption will ordinarily be recognized as of the date of formation. Examples of nonsubstantive amendments include correction of a clerical error in the enabling instrument or the addition of a dissolution clause where the activities of the organization prior to the determination letter are consistent with the requirements for exemption.
- (3) An eligible organization applying under this revenue procedure that does not submit Form 1023-EZ within 27 months from the end of the month in which it was organized will generally be recognized as exempt from the submission date of its Form 1023-EZ. For this purpose, the submission date of Form 1023-EZ is determined without regard to the submission date of any previously submitted application for recognition of tax-exemption (including a Form 1023-EZ, Form 1023, or Form 1024) that has been withdrawn by the organization or not accepted for processing by the Service. Thus, if an eligible organization that has a Form 1023 pending with the Service files a Form 1023-EZ in accordance with section 4.06 outside the 27-month window, it will generally be recognized as exempt from the submission date of its Form 1023-EZ, not from the date it submitted its Form 1023. An organization that believes it qualifies for an earlier effective date may request the earlier date by sending correspondence to the address listed in the *Instructions for Form 1023-EZ*. The correspondence should include the organization's name, EIN, the effective date the organization is requesting, an explanation of why the earlier date is warranted, and any supporting documents. This correspondence should be sent after the organization receives its determination letter. Alternatively, the organization may complete Form 1023 instead of completing Form 1023-EZ.

.02 Reliance on determination letter. A determination letter recognizing exemption may not be relied upon if there is a material change, inconsistent with exemption, in the character, the purpose, or the method of operation of the organization, or a change in the applicable law. Also, a determination letter issued to an organization that submitted a Form 1023-EZ in accordance with this revenue procedure may not be relied upon if it was based on any inaccurate material information submitted by the organization. Inaccurate material information includes an incorrect attestation as to the organization's organizational documents, the organization's exempt purposes, the organization's conduct of prohibited and restricted activities, or the organization's eligibility to file Form 1023-EZ. See also section 9.

.03 Automatic revocation. Organizations that claim exempt status under § 501(c) generally must file annual Form 990 series returns or notices, even if they have not yet received their determination letter recognizing exemption. If an organization fails to file

required Form 990 series returns or notices for three consecutive years, its exemption will be automatically revoked by operation of § 6033(j). Such an organization may apply for reinstatement of its exempt status, and such recognition may be granted retroactively, as provided in Rev. Proc. 2014-11. Consistent with the eligibility requirements for using Form 1023-EZ that are set forth in section 2.01, only an organization requesting reinstatement of § 501(c)(3) status under section 4 (streamlined retroactive reinstatement of tax-exempt status for small organizations within 15 months of revocation) or section 7 (reinstatement of tax-exempt status from postmark date) of Rev. Proc. 2014-11 may apply using Form 1023-EZ. An organization requesting reinstatement of § 501(c)(3) status under section 5 (retroactive reinstatement of tax-exempt status within 15 months of revocation) or section 6 (retroactive reinstatement more than 15 months after revocation) of Rev. Proc. 2014-11 must apply using Form 1023 under Rev. Proc. 2014-9.

.04 Filing requirement. Generally, an organization that qualifies for exemption under § 501(c)(3) is required to file an annual return in accordance with § 6033(a). However, an eligible organization, other than a private foundation, that normally has gross receipts of \$50,000 or less is not required to file an annual return, but must furnish notice on Form 990-N providing the information required by § 6033(i). See Rev. Proc. 2011-15, 2011-3 I.R.B. 322. An eligible organization (other than a private foundation) that applies for recognition of exempt status under this revenue procedure is not required to separately notify the Service that it is excepted from the annual filing requirement under § 6033(a) if it is claiming a filing exemption solely on the basis that its gross receipts are normally \$50,000 or less. However, if such an organization claims an exception from filing an annual return under § 6033(a) on a basis other than it being an organization (other than a private foundation) that normally has gross receipts of \$50,000 or less, it must file a Form 8940, *Request for Miscellaneous Determination*, with the Service and provide a statement of all of the facts on which its claim is based. A separate user fee will be required when filing the Form 8940.

SECTION 9. REVOCATION OR MODIFICATION OF DETERMINATION LETTER RECOGNIZING EXEMPTION

.01 In general. A determination letter recognizing exemption may be revoked or modified: (1) by a notice to the taxpayer to whom the determination letter was issued; (2) by enactment of legislation or ratification of a tax treaty; (3) by a decision of the Supreme Court of the United States; (4) by the issuance of temporary or final regulations; (5) by the issuance of a revenue ruling, revenue procedure, or other statement published in the Internal Revenue Bulletin; or (6) automatically, pursuant to § 6033(j), for failure to file a required annual return or notice for three consecutive years.

.02 Retroactive revocation or modification. The revocation or modification of a determination letter recognizing the exemption of an organization that submitted a Form 1023-EZ in accordance with this revenue procedure may be retroactive if there has been a change in the applicable law, if the organization operated in a manner materially different from that represented on its completed Form 1023-EZ (including any additional information provided), or if the organization misstated or omitted any material information on its completed Form 1023-EZ (including any additional information provided). A misstatement of material information includes an incorrect attestation as to the organization's organizational documents, the organization's exempt purposes, the organization's conduct of prohibited and restricted activities, or the organization's eligibility to file Form 1023-EZ. Information provided on an application for recognition of exemption (e.g., Form 1023-EZ, Form 1023, or Form 1024) that has been withdrawn will not be considered for purposes of limiting the retroactive effect of a revocation or modification of a determination letter. In certain cases an organization may seek relief from retroactive revocation or modification of a determination letter under § 7805(b). Requests for § 7805(b) relief may be made as described in section 12 of Rev. Proc. 2014-9 and Rev. Proc. 2014-4.

.03 Appeal and conference procedures. In the case of a revocation or modification of a determination letter, the appeal and conference procedures are the same as those set out in section 12 of Rev. Proc. 2014-9.

SECTION 10. EFFECTIVE DATE

This revenue procedure is effective July 1, 2014.

SECTION 11. DRAFTING INFORMATION

The principal authors of this Revenue Procedure are Timothy Berger and Melinda Williams of the Exempt Organizations, Tax Exempt and Government Entities Division, and James Martin of the Office of Associate Chief Counsel (Tax Exempt and Government Entities). For additional information, please contact Mr. Berger at 202-317-8533, Ms. Williams at 202-317-8532, or Mr. Martin at 202-317-5800 (these are not toll-free numbers).

SECTION 12. PAPERWORK REDUCTION ACT

Any collection of information under this revenue procedure will be reported and approved through Form 1023-EZ (OMB approval number 1545-0056).

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid control number assigned by the Office of Management and Budget.

SECTION 13. REQUEST FOR COMMENTS

The Service and the Treasury Department request comments on this revenue procedure, which will be considered in making any future update to these procedures.

Comments should refer to Rev. Proc. 2014-40, and should be submitted to:

Internal Revenue Service
Attn: CC:PA:LPD:PR
(Rev. Proc. 2014-40) Room 5203
P. O. Box 7604
Ben Franklin Station
Washington, DC 20044

Submissions also may be hand delivered Monday through Friday between the hours of 8 am and 4 pm to CC:PA:LPD:PR (Rev. Proc. 2014-40) Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue, N.W. Washington, D.C. Alternatively, comments may be submitted electronically via the following e-mail address: Notice.Comments@irscounsel.treas.gov. Please include "Rev. Proc. 2014-40" in the subject line of any electronic communication. All comments will be available for public inspection and copying.