

26 CFR 601.201: Rulings and determination letters.

Rev. Proc. 2018-10

SECTION 1. PURPOSE

This revenue procedure modifies Revenue Procedure 2018-5, 2018-1 I.R.B. 233, by applying the procedures for Exempt Organizations determination letters to new Form 1024-A, *Application for Recognition of Exemption Under Section 501(c)(4) of the Internal Revenue Code*.

SECTION 2. BACKGROUND

.01 Section 506, added to the Code on December 18, 2015, by the Protecting Americans from Tax Hikes Act of 2015 (Pub. L. No. 114-113, div. Q) (the PATH Act), requires a section 501(c)(4) organization, no later than 60 days after the organization is established, to notify the Commissioner that it is operating as a section 501(c)(4) organization. Section 506(f) provides that an organization may separately request a determination of its tax-exempt status. In discussing section 506(f), the Joint Committee on Taxation states that it is intended that such a request for a determination be submitted on a new form (separate from Form 1024, *Application for Recognition of Exemption Under Section 501(a)*) that clearly states that such a request is optional.

See Staff of Joint Committee on Taxation, 114th Cong., 1st Sess., Technical Explanation of the Protecting Americans from Tax Hikes Act of 2015, House Amendment #2 to the Senate Amendment to H.R. 2029 (Rules Committee Print 114-40), at 241 (Dec. 17, 2015). In response, the IRS created new Form 1024-A, available at IRS.gov, for use by an organization choosing to apply for recognition of exempt status under section 501(a) as an organization described in section 501(c)(4).

.02 Form 1024 will continue to be used by an organization seeking recognition of exempt status under section 501(a) as an organization described in section 501(c)(2), (5), (6), (7), (8), (9), (10), (12), (13), (15), (17), (19), or (25).

.03 Submitting Form 1024-A does not satisfy an organization's requirement to notify the Commissioner that it is operating under section 501(c)(4), as required by section 506. See IRS.gov for information on satisfying the notification requirement using Form 8976, *Notice of Intent to Operate Under Section 501(c)(4)*.

SECTION 3. MODIFICATIONS TO REVENUE PROCEDURE 2018-5

.01 The first paragraph of section 4.02(3) of Rev. Proc. 2018-5 is modified to read as follows:

(3) **Form 1024 application.** An organization seeking a determination letter from the Service recognizing exemption under § 501(c)(2), (5), (6), (7), (8), (9), (10), (12), (13), (15), (17), (19), or (25) must submit a completed Form 1024, *Application for Recognition of Exemption Under Section 501(a)*, along with Form 8718, *User Fee for Exempt Organization Determination Letter Request*.

.02 Section 4.02 of Rev. Proc. 2018-5 is modified by adding new paragraph (7) to read as follows:

(7) **Form 1024-A application.** An organization seeking a determination letter from the Service recognizing exemption under § 501(c)(4) must submit a completed Form 1024-A, *Application for Recognition of Exemption Under Section 501(c)(4) of the Internal Revenue Code*, along with Form 8718. In the case of an organization that provides credit counseling services and seeks recognition of exemption under § 501(c)(4), see § 501(q).

Section 501(c)(4) organizations may choose to seek a determination letter recognizing exemption under § 501(c)(4) by filing Form 1024-A, but are not required to do so except in certain cases (see, for example, § 6033(j)(2) regarding failures to file annual information returns or annual electronic notifications required under § 6033(a) or (i)).

.03 Section 4.04(3) of Rev. Proc. 2018-5 is renumbered to paragraph 4.04(4) and is modified to read as follows:

(4) **Authorized representatives for all other requests.** Except as provided in section 4.04(1), (2), and (3), to sign the request, or to appear before the Service in connection with the request, the representative must be listed in Appendix B.

.04 Section 4.04 of Rev. Proc. 2018-5 is modified by adding new paragraph (3) to read as follows:

(3) **Individual or representative authorized to sign Form 1024-A.** In the case of a request for a determination letter made by filing Form 1024-A, an officer, a director, a trustee who is authorized to sign, or a representative authorized by a power of attorney (see section 4.05 of this revenue procedure), must sign the application.

.05 Section 4.06(1) of Rev. Proc. 2018-5 is modified to read as follows:

(1) Penalty of perjury statement requirements for requests for determination letters made on Form 1023, 1023-EZ, 1024, 1024-A, or 8940. The signature of an individual described in section 4.04(1), (2), or (3) of this revenue procedure meets the penalty of perjury statement signature requirements for requests on Form 1023, 1023-EZ, 1024, 1024-A, or 8940, as applicable.

.06 The third paragraph of section 4.06(2) of Rev. Proc. 2018-5 is modified to read as follows:

This declaration must be signed and dated by the taxpayer, not the taxpayer's representative authorized by a power of attorney. The signature of an individual described in section 4.04(1) is the signature of the taxpayer for purposes of the penalty of perjury statement. The signature of an authorized representative described in section 4.04(2), (3), or (4) will not meet the penalty of perjury statement requirements (except as otherwise provided in Appendix B). See the instructions to the relevant form for additional detail. Neither a stamped signature nor a faxed signature is permitted.

.07 Section 15.01(1)(a) of Rev. Proc. 2018-5 is modified to read as follows:

(a) applications for recognition of tax exemption on Form 1023, Form 1024, Form 1024-A, and Form 1028;

SECTION 4. EFFECT ON OTHER DOCUMENTS

Rev. Proc. 2018-5 is modified.

SECTION 5. EFFECTIVE DATE

This revenue procedure is effective January 16, 2018.

SECTION 6. DRAFTING INFORMATION

The principal author of this revenue procedure is Chelsea Rubin of the Office of Associate Chief Counsel (Tax Exempt and Government Entities). For additional information, please contact Ms. Rubin at 202-317-5800 (not a toll-free number).