

26 CFR 601.201: Rulings and determination letters.

Rev. Proc. 2020-8

SECTION 1. PURPOSE

This revenue procedure modifies Revenue Procedure 2020-5, 2020-1 I.R.B. 241, by updating the procedures for Exempt Organizations determination letters with respect to the electronically submitted 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 as an entity described in § 501(c)(3). The modifications to Rev. Proc. 2020-5 made by this revenue procedure provide that the electronic submission process is the exclusive means of submitting a completed Form 1023, except for submissions eligible for the 90-day transition relief provided in section 4 of this revenue procedure.

SECTION 2. CHANGED SUBMISSION PROCESS

The IRS has revised and updated Form 1023 and provided for it to be electronically submitted at www.pay.gov. The electronic submission process for Form 1023 replaces the paper submission process for Form 1023 after January 31, 2020, subject to the transition relief provided in section 4 of this revenue procedure. Section 3 of this

revenue procedure modifies Rev. Proc. 2020-5 to set forth procedures for issuing determination letters in response to electronically submitted Form 1023 applications. Unless otherwise modified in this revenue procedure, the provisions of Rev. Proc. 2020-5 continue to apply.

SECTION 3. MODIFICATIONS TO REVENUE PROCEDURE 2020-5

.01 Section 4.01 of Rev. Proc. 2020-5 is modified to read as follows:

.01 This section explains the general instructions for requesting determination letters. However, certain procedures do not apply to requests submitted on Form 1023, *Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code* or Form 1023-EZ, *Streamlined Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code*, as indicated in this revenue procedure or in forms and their instructions. In addition to these general instructions, specific procedures apply to requests submitted by letter (as described in section 5), applications for recognition of exemption from Federal income tax under § 501 or § 521 (as described in section 6), and to requests for determinations submitted on Form 8940, *Request for Miscellaneous Determination* (as described in section 7).

.02 Paragraph (1) of section 4.02 of Rev. Proc. 2020-5 is modified to read as follows:

(1) **Form 1023 application.** An organization seeking recognition of exemption under § 501(c)(3) (including an organization that is additionally seeking a determination that it is described in § 501(e), (f), (k), (n), (q), or (r)) must electronically submit a completed Form 1023 at www.pay.gov. In the case of an organization that provides credit counseling services, see § 501(q). In the case of an organization that is a hospital and is seeking exemption under § 501(c)(3), see § 501(r). Notwithstanding the

foregoing, eligible organizations may seek recognition of exemption under § 501(c)(3) by submitting a completed Form 1023-EZ, as described in section 6.06(2) of this revenue procedure, rather than by submitting Form 1023. For additional information about the electronic submission process, refer to Form 1023 and its Instructions.

.03 The first paragraph of section 4.09(1) of Rev. Proc. 2020-5 is modified to read as follows:

(1) **Procedures for requesting expedited handling.** Except for a request on the electronically submitted Form 1023, the request for expedited handling must be made in writing, preferably in a separate letter sent with, or soon after filing, the request for the determination letter. If the request is not made in a separate letter, then the letter in which the determination letter request is made should say, at the top of the first page: "**Expedited Handling Is Requested. See page ____ of this letter.**"

In the case of the electronically submitted Form 1023, a request for expedited handling must be indicated on the form and a supporting written statement must be submitted as an attachment with the completed application.

.04 Section 6.06(1)(a) of Rev. Proc. 2020-5 is modified to read as follows:

(1) A completed application (other than a Form 1023-EZ), including a letter application, is one that:

(a) is signed or, in the case of a Form 1023, is electronically signed by an authorized individual under penalties of perjury (see sections 4.04 and 4.06 of this revenue procedure);

.05 Paragraph (4) of section 6.08 of Rev. Proc. 2020-5 is modified to read as follows:

(4) **When an application is not submitted within 27 months of formation.** An

organization that otherwise meets the requirements for tax-exempt status and the issuance of a determination letter that does not meet the requirements for recognition from date of formation will be recognized from the postmark date of its application or the electronic submission date of its Form 1023 or Form 1023-EZ, as applicable.

.06 Paragraph (1) of section 14.06 of Rev. Proc. 2020-5 is modified to read as follows:

(1) Payment of user fees for applications of recognition of exemption on Form 1023 or Form 1023-EZ. User fees for applications for recognition of exemption on Form 1023 or Form 1023-EZ must be paid through www.pay.gov.

.07 Section 15.01(1)(a) of Rev. Proc. 2020-5 is modified to read as follows:

(1) The following types of requests and applications handled by the EO Determinations Office should be sent to the Internal Revenue Service Center, at the address in section 15.01(2):

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

.08 Section 15.02 of Rev. Proc. 2020-5 is modified to read as follows:

.02 Applications for recognition of exemption on Form 1023 and Form 1023-EZ are handled by the EO Determinations Office but must be submitted electronically online at www.pay.gov. Paper submissions of Form 1023 or Form 1023-EZ will not be accepted.

.09 Paragraph (4) of Appendix A of Rev. Proc. 2020-5 is modified to read as follows:

(4) Canadian registered charities

Note: In accordance with the income tax treaty between the United States and Canada,

and pursuant to a mutual arrangement between the competent authorities of the two countries, Canadian registered charities are automatically recognized as exempt under § 501(c)(3) without filing an application for exemption. For details, see Notice 99-47, 1999-2 C.B. 391. Therefore, no user fee is required when a Canadian registered charity submits a written request to be listed in Tax Exempt Organization Search database for organizations eligible to receive tax-deductible charitable contributions (Pub. 78 data), or for a determination on its private foundation status. For additional information about the submission process, refer to the Form 1023 Instructions.

SECTION 4. TRANSITION RELIEF

.01 Except as provided in section 4.02, an organization seeking recognition of tax exempt status under § 501(c)(3) using Form 1023 must electronically submit the form and user fee online at www.pay.gov.

.02 The Internal Revenue Service will accept for processing a completed paper Form 1023 accompanied by the correct user fee, as described in Rev. Proc. 2020-5, without applying the modifications of this revenue procedure, if the submission of the Form 1023 is postmarked on or before the date that is 90 days after the effective date of this revenue procedure.

SECTION 5. EFFECT ON OTHER DOCUMENTS

Rev. Proc. 2020-5 is modified.

SECTION 6. EFFECTIVE DATE

This revenue procedure is effective January 31, 2020, the date this revenue procedure was announced by news release.

SECTION 7. DRAFTING INFORMATION

The principal author of this revenue procedure is Patrick Sternal of the Office of Associate Chief Counsel (Employee Benefits, Exempt Organizations, and Employment Taxes). For further information regarding this revenue procedure contact Mr. Sternal at (202) 317-5800 (not a toll free call).