

NEW DISCLOSURE RULES TAKE EFFECT FOR TAX-EXEMPT ORGANIZATIONS

WASHINGTON -- The Internal Revenue Service reminded tax-exempt organizations that, beginning today, they must generally provide requesters with copies of their approved exemption applications and their three most recent annual information returns. Previously, the organizations had to have these documents available for public inspection, but did not have to make copies.

An alternative to providing copies is for the organization to make the documents available on a Web site, either its own or another organization's. It may then advise requesters how to access the forms on the Web.

Tax-exempt organizations may charge a reasonable copying fee, currently up to \$1 for the first page and 15 cents for each additional page, plus actual postage costs.

An organization which fails to comply with these new disclosure requirements may be subject to a penalty of \$20 per day for as long as the failure continues, up to a maximum of \$10,000 for each failure to provide an annual return.

The new disclosure rules do not yet apply to a private foundation. Such an organization must still make a copy of its annual return available for public inspection at its principal office for a period of 180 days after publishing a notice of availability.

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