

**U.S. Income Tax Return
 for Certain Political Organizations**

▶ Page 2 is blank. A balance sheet and net worth analysis are no longer required.
 To be filed by those organizations having taxable income (line 19).

For calendar year 1983 or other tax year beginning _____, 1983 and ending _____, 19__.

Note: If you are a section 501(c) organization (see instruction A3) or a separate segregated fund described in section 527(f)(3), check here .

Please print or type	Name of organization	Employer identification number (see instruction O)
	Number and street	Date organization formed
	City or town, State and ZIP code	If you are a principal campaign committee (see instruction B2), check here <input type="checkbox"/>

Enter name of candidate ▶ _____ The books are in care of ▶ _____
 Located at ▶ _____ Telephone No. ▶ _____

Gross Income	1	Dividends (attach schedule)			
	2	Interest			
	3	Gross rents			
	4	Gross royalties			
	5	Capital gain net income from Schedule D (Form 1120), line 11 (attach separate Schedule D (Form 1120))			
	6	Net gain or (loss) from Form 4797, line 14(a) (attach Form 4797)			
	7	Other income (see "Note" in instruction D—attach schedule)			
	8	Total income (add lines 1 through 7)			
Deductions	9	Salaries and wages			
	10	Repairs			
	11	Rents			
	12	Taxes			
	13	Interest			
	14	Depreciation from Form 4562 (attach Form 4562)			
	15	Other deductions (attach schedule)			
	16	Total deductions (add lines 9 through 15)			
	17	Taxable income before specific deduction of \$100 (line 8 less line 16). (Section 501(c) organizations show: (a) amount of net investment income (see instruction A3(b)(ii)) ▶ _____ (b) an aggregate amount expended for an exempt function (attach schedule) ▶ _____ and enter on line 17, the lesser of (a) or (b)).			
	18	Less specific deduction of \$100 (not allowed for newsletter funds defined under section 527(g))			
19	Taxable income (subtract line 18 from line 17)				
Tax	20	Tax imposed (see instruction B)			
	21	Income tax (line 20 or alternative tax from Schedule D (Form 1120), line 17, whichever is less)			
	22	Foreign tax credit (attach Form 1118)			
	23	Total tax—Subtract line 22 from line 21			
	24	Credits: (a) Tax deposited with Form 7004. (b) Credit from regulated investment companies (attach Form 2439)			
	25	Tax due (subtract line 24 from line 23). See instruction I for depository method of payment			
	26	Overpayment (subtract line 23 from line 24)			

Foreign Financial Accounts and Foreign Trusts

1 At any time during the tax year, did you have an interest in or a signature or other authority over a bank account, securities account, or other financial account in a foreign country (see instruction T)? Yes No

2 Were you the grantor of, or transferor to, a foreign trust which existed during the current tax year, whether or not you have any beneficial interest in it? Yes No
 If "Yes," you may have to file Forms 3520, 3520-A or 926.

Please Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer _____ Date _____ Title _____

Preparer's signature ▶ _____	Date _____	Check if self-employed <input type="checkbox"/>	Preparer's social security no. _____
Firm's name (or yours, if self-employed) and address ▶ _____	E.I. No. ▶ _____	ZIP code ▶ _____	

Instructions

(Section references are to the Internal Revenue Code, unless otherwise noted.)

Paperwork Reduction Act Notice.—We ask for this information to carry out the Internal Revenue laws of the United States. We need it to ensure that taxpayers are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information.

A. Who Must File Form 1120-POL.—

1. A political organization, that is, a party, committee, association, fund (including a separate segregated fund (described in section 527(f)(3)) set up by a section 501(c) organization), or other organization, organized and operated primarily for the purpose of accepting contributions or making expenditures, or both, to influence the selection, nomination, election, or appointment of any individual to any public office or office in a political organization, or the election of Presidential or Vice-Presidential electors, must file Form 1120-POL if such organization has any taxable income (defined in C below).

2. A newsletter fund (as described in section 527(g)) must file Form 1120-POL if it has political organization taxable income. Taxable income is the same as described in C below with these modifications:

- (a) the \$100 specific deduction is not allowed and
- (b) the exempt function is only the preparation and circulation of the newsletter.

For further information, see section 527(g) and Regulation section 1.527-7.

3. (a) Under section 527(f), certain organizations described in section 501(c) and exempt from tax under section 501(a), must file Form 1120-POL if they:

- (i) expend any amount during the tax year directly (or through another organization) for an exempt function (defined in E below) and
- (ii) have taxable income.

(b) For a section 501(c) organization, taxable income is the lesser of:

- (i) the amount expended during the tax year for an exempt function (defined in E below) or
- (ii) the net investment income of the organization for the tax year. Net investment income, for this purpose, means the gross amount of interest, dividends, rents, royalties, plus the excess (if any) of gains from the sale or exchange of assets over the losses from the sale or exchange of assets, over the deductions directly connected with the production of this income.

Both of these amounts are computed with the modifications described in C2 below.

Section 501(c) organizations exclude those items taken into account for the tax imposed by section 511.

(c) If a section 501(c) organization sets up a separate segregated fund (section 527(f)(3)), the taxable income of the fund is determined as described in instruction C.

For more information, see section 527(f) and Regulation section 1.527-6.

B. Tax Imposed.—The tax imposed depends on whether the political organization is considered a principal campaign committee (defined in instruction B2 below).

1. **Political organization not a principal campaign committee.**—Multiply line 19 by 46% and enter the amount on line 20.
2. **Principal campaign committee (section 527(h)).**—A principal campaign committee means the political committee designated only by a candidate for Congress as his or her principal campaign committee for purposes of section 302(e) of the Federal Election Campaign Act of 1971. See section 527(h) for special rules regarding the term "designation."

A principal campaign committee is subject to a lower rate of tax than other political organizations. Compute its tax as follows:

If the amount on line 19 is:		Enter on line 20:	
Over—	But not over—		Of the amount over—
0	\$25,000	15%	0
\$25,000	50,000	\$3,750 + 18%	\$25,000
50,000	75,000	8,250 + 30%	50,000
75,000	100,000	15,750 + 40%	75,000
100,000	-----	25,750 + 46%	100,000

C. Taxable Income.—

Note: Generally, campaign contributions are not includible in income; expenditures for campaign purposes are not deductible. (See instruction D below.)

Taxable income is the excess of:

1. gross income for the tax year (excluding any exempt function income defined below) over
2. the deductions allowed that are directly connected with the production of gross income (excluding exempt function income) computed with the following modifications—
 - (a) a specific deduction of \$100 is allowed,
 - (b) a net operating loss deduction (section 172) is not allowed, and
 - (c) a deduction under Part VIII of subchapter B (special deductions for corporations) is not allowed.

See Regulation sections 1.527-4 and 1.527-5.

D. Exempt Function Income.—Exempt function income is any amount received as:

1. contributions of money or other property,

2. membership dues, fees, or assessments from members of the political organization,
3. proceeds from a political fund-raising or entertainment event, or proceeds from the sale of political campaign materials, that are not received in the ordinary course of any trade or business, or
4. proceeds from the conducting of any bingo game as defined in section 513(f)(2), to the extent this amount is segregated for use only for the exempt function of the political organization.

See Regulation section 1.527-3.

Note: Income received in the course of an ordinary trade or business is to be included in line 7, "other income," page 1.

E. Exempt Function.—For purposes of section 527, the term "exempt function" means the function of influencing or attempting to influence the selection, nomination, election, or appointment of any individual to any Federal, State, or local public office or office in a political organization, or the election of Presidential or Vice-Presidential electors, whether or not the individual or electors are selected, nominated, elected, or appointed.

See Regulation section 1.527-2(c).

F. Where to File.—

If the political organization's main office is located in	Use the following Internal Revenue Service Center address
New Jersey, New York City and counties of Nassau, Rockland, Suffolk, and Westchester	Holtsville, NY 00501
New York (all other counties), Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont	Andover, MA 05501
Alabama, Florida, Georgia, Mississippi, South Carolina	Atlanta, GA 31101
Michigan, Ohio	Cincinnati, OH 45999
Arkansas, Kansas, Louisiana, New Mexico, Oklahoma, Texas	Austin, TX 73301
Alaska, Arizona, Colorado, Idaho, Minnesota, Montana, Nebraska, Nevada, North Dakota, Oregon, South Dakota, Utah, Washington, Wyoming	Ogden, UT 84201
Illinois, Iowa, Missouri, Wisconsin	Kansas City, MO 64999
California, Hawaii	Fresno, CA 93888
Indiana, Kentucky, North Carolina, Tennessee, Virginia, West Virginia	Memphis, TN 37501
Delaware, District of Columbia, Maryland, Pennsylvania	Philadelphia, PA 19255

G. When to File.—In general, an organization must file Form 1120-POL by the 15th day of the 3d month after the end of the tax year.

Extensions.—File Form 7004 to request an automatic 6-month extension of time to file Form 1120-POL.

H. Period Covered.—File the 1983 return for calendar year 1983 and fiscal years that begin in 1983 and end in 1984. For a fiscal year, fill in the tax year space at the top of the form.

I. Depository Method of Tax Payment.—The organization must pay the tax due in full within 2½ months after the end of the tax year.

Deposit organization income tax payments with a Federal Tax Deposit Payment Coupon (Form 8109). If you do not receive these coupons, please contact your IRS district office. Make these tax deposits with either a financial institution qualified as a Depository for Federal taxes or the Federal Reserve Bank or Branch (FRB) servicing the geographic area where the organization is located. Records of deposits will be sent to IRS for crediting to the organization's account. See the instructions contained in the coupon book for more information. There will no longer be periodic mailouts of FTD deposit forms. To get more deposit forms, use the reorder form (Form 8109A) provided in the coupon book.

Do not submit deposits directly to an IRS office, otherwise the organization may be subject to a 5% FTD penalty.

J. Change in Accounting Period.—Before changing an accounting period, the Commissioner's approval must be obtained (Regulation section 1.442-1) by filing Form 1128, Application for Change in Accounting Period. Also see Publication 538, Accounting Periods and Methods.

K. Accounting Methods.—Taxable income must be computed using the method of accounting regularly used in keeping the organization's books and records. In all cases, the method adopted must clearly reflect taxable income. (See section 446.)

Unless the law specifically permits otherwise, the organization may change the method of accounting used to report taxable income in earlier years (for income as a whole or for any material item) only by first getting consent on Form 3115, Application for Change in Accounting Method. Also see Publication 538.

L. Rounding Off to Whole-Dollar Amounts.—The organization may show the money items on the return and accompanying schedules as whole-dollar amounts. To do so, drop any amount less than 50 cents and increase any amount from 50 cents through 99 cents to the next higher dollar.

M. Attachments.—If more space is needed on forms or schedules, attach separate sheets to the back of Form 1120-POL. Attach schedules in alphabetical order and forms in numerical order. Also put the taxpayer's name and employer identification number (EIN) on each sheet.

N. Signature.—The return must be signed and dated by the president, vice president, treasurer, assistant treasurer, chief accounting officer, or any other officer (such as tax officer) authorized to sign. A receiver, trustee, or assignee must sign and

date any return required to be filed on behalf of an organization.

If a organization officer filled in Form 1120-POL, the Paid Preparer's space under "Signature of officer" should remain blank. If someone prepares Form 1120-POL and does not charge the organization, that person should not sign the return. Certain others who prepare Form 1120-POL should not sign. For example, a regular, full-time employee of the organization such as a clerk, secretary, etc. does not have to sign.

Generally, anyone who is paid to prepare Form 1120-POL must sign the return and fill in the other blanks in the Paid Preparer's Use Only area of the return.

The preparer required to sign the return **MUST** complete the required preparer information and:

- Sign it, by hand, in the space provided for the preparer's signature. (Signature stamps or labels are not acceptable.)
- Give a copy of Form 1120-POL to the taxpayer in addition to the copy filed with IRS.

Tax return preparers should be familiar with their responsibilities. See Publication 1045, Information and Order Blanks for Preparers of Federal Income Tax Returns, for more details.

O. Employer Identification Number.—All political organizations (including separate segregated funds described in section 527(f)(3) and newsletter funds) must use an employer identification number (EIN).

An organization that does not have an EIN should apply for one on Form SS-4, Application for Employer Identification Number. Obtain this form at most IRS or Social Security Administration offices. Send Form SS-4 to the same Internal Revenue Service Center to which Form 1120-POL is mailed. If the EIN has not been received by the filing time for Form 1120-POL, write "Applied for" in the space for the EIN.

P. Penalties.—

Avoid penalties and interest by correctly filing and paying the tax when due. The organization may have to pay the following penalties unless it can show that failure to file or to pay was due to reasonable cause and not willful neglect. (These penalties are in addition to the interest charge on unpaid tax at a rate under section 6621.)

- A political organization that fails to file its tax return when due (including any extensions of time for filing) may be subject to a penalty of 5% a month or fraction of a month, up to a maximum of 25%, for each month the return is not filed. (The penalty is imposed on the net amount due.) The minimum penalty for failure to file a tax return within 60 days of the due date for filing (including extensions) is the lesser of the underpayment of tax or \$100.

- A political organization that fails to pay the tax when due may be subject to a penalty of ½% a month or fraction of a

month, up to a maximum of 25%, for each month the tax is not paid. (The penalty is imposed on the net amount due.)

Penalty for Overstated Tax Deposits.—If deposits are overstated, the organization may be subject to a penalty. See section 6656(b).

Q. Possessions Tax Credit.—

See Form 5712, Election to be Treated as a Possessions Corporation Under Section 936, for rules on how to elect to claim the possessions tax credit (section 936). Compute the credit on Form 5735, Computation of Possessions Corporation Tax Credit Allowed Under Section 936, and include the amount of the credit in the total for Form 1120-POL, line 22. Write in the margin, next to the entry on line 22, the amount of the credit and identify it as a section 936 credit.

R. Estimated Tax, Minimum Tax, Employee Stock Ownership Credit, Investment Credit and Jobs Credit.—These items do not apply to political organizations defined in section 527.

S. Other Credits.—The organization may qualify for research credit, alcohol fuel credit, and credit for fuel produced from a nonconventional source. See Form 6765, Credit for Increasing Research Activities, Form 6478, Credit for Alcohol Used as Fuel, and section 44D, respectively.

T. Foreign Financial Accounts and Foreign Trusts.—

Question 1: Check the Yes box if either 1 or 2 below applies to the organization. Otherwise check the No box.

1. At any time during the year the organization had an interest in or signature or other authority over a bank account, securities account, or other financial account in a foreign country, AND

- The combined value of the accounts was more than the \$5,000 at any time during the year; AND

- The account was NOT with a U.S. military banking facility operated by a U.S. financial institution.

2. The organization owns more than 50% of the stock in any corporation that owns one or more foreign bank accounts.

Get Form 90-22.1, Report of Foreign Bank and Financial Accounts, to see if the organization is considered to have an interest in or signature or other authority over a bank account, securities account, or other financial account in a foreign country.

If Yes is checked for Question 1, file Form 90-22.1 by June 30, 1984, with the Department of the Treasury at the address shown on the form. Form 90-22.1 is not a tax return, so do not file it with the IRS.

Form 90-22.1 can be obtained from many IRS offices.

Question 2: Check the Yes box if the organization was a grantor of, or a transferor to, a foreign trust that existed during this tax year.