

## **Tax-exempt organizations need an Employee Identification Number**

Obtaining an Employer Identification Number (EIN) is a significant step for any organization – including the tax-exempt entity you want to establish.

The IRS-issued nine-digit number is the equivalent to your Social Security number because, just as an SSN identifies you, the EIN identifies your organization. You'll need an EIN to identify your organization in many of your dealings with the IRS, state and local agencies and your contributors. For example, you will report your EIN on filings with the IRS, including applications for tax-exempt status, annual information returns and when you report and pay unrelated business income and employment taxes.

Generally, a 501(c)(3) organization must be organized as a corporation, trust or unincorporated association. An organization's organizing documents (articles of incorporation, trust documents, articles of association) must:

- Limit its purposes to those described in section 501(c)(3) of the Internal Revenue Code
- Not expressly permit activities that do not further its exempt purpose(s)
- Permanently dedicate its assets to exempt purposes

If you are operating as a tax-exempt organization, you need an EIN.

Despite the importance of an EIN to your tax-exempt entity, *don't* apply for one until your organization is legally formed.

Nearly all organizations are subject to [automatic revocation](#) of their tax-exempt status if they fail to file a required return or notice for three consecutive years.

When you apply for an EIN, we presume you're legally formed and the clock starts ticking on this three-year period.

### ***EIN benefits***

You will use an EIN to open credit accounts with suppliers as well as apply for business cards.

It is usually required to open a business bank account.

And, once you have an EIN, it'll never expire.

### ***How to get an EIN***

Use the Online Application: The preferred and fastest way to get an EIN is through our interview-style online EIN application.

There is no need to file a Form SS-4.

Once you complete the online EIN application, you can download, save and print your confirmation notice. It's fast, free and user-friendly.

Apply by Fax: Taxpayers can also fax the completed Form SS-4 (PDF) application to their state fax number (see *Where to File Your Taxes* for Form SS-4), after ensuring it contains the required information. If the taxpayer's fax number is provided, a fax will be sent back with the EIN within four business days.

Apply by Mail: The processing time for an EIN application received by mail is four weeks. Ensure the Form SS-4 (PDF) contains all of the required information. The instructions for the form provide the correct address.

Third parties can receive an EIN on a client's behalf by completing the new Third Party Designee section and obtaining the client's signature on Form SS-4. This avoids having to file a Form 2848 (Power of Attorney) or Form 8821 (Tax Information Authorization) to get an EIN for their client.

International Applicants: International applicants can call 267-941-1099 (not a toll-free number) 6:00 a.m. to 11:00 p.m. ET Monday through Friday to obtain an EIN.

### ***How to apply for tax-exempt status***

To apply for recognition by the IRS of exempt status under section 501(c)(3) of the Internal Revenue Code, organizations may use [Form 1023](#), *Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code* and the related [instructions](#). Smaller organizations that meet certain qualifications may instead file the simplified [Form 1023-EZ](#), *Streamlined Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code*.

Organizations applying for recognition of exemption under a section other than 501(c)(3) generally use [Form 1024](#), *Application for Recognition of Exemption Under Section 501(a)*. The application must be complete and accompanied by the appropriate user fee.

See [Application Process](#) for a review of what an organization needs to know and to do in order to apply for recognition by the IRS of tax-exempt status.

[Frequently asked questions](#) about applying for exemption are also available.

**Additional information:**

- [Publication 557](#), *Tax-Exempt Status for Your Organization*
- [Publication 4573](#), *Group Exemptions*
- [Publication 1635](#), *Understanding Your EIN*