



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

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Person to Contact and ID Number:

Contact Telephone Number:

Dear *****:

This is in response to your letter dated July 14, 2011, to IRS Exempt Organizations, regarding questions about churches and employer identification numbers ("EIN").

On ***** you applied for an identification number for your organization. We gave you an EIN on ***** in response to your request. You have now expressed concern that your organization is a church that is not required to apply for tax-exempt status and accordingly should not be given an EIN.

An organization seeking exemption under section 501(c)(3) of the Code is required to apply for recognition of exemption on Form 1023. However, churches, their integrated auxiliaries, and conventions or associations of churches seeking section 501(c)(3) status are excepted from this application requirement. Churches that meet the requirements of section 501(c)(3) are automatically considered tax exempt and are not required to apply for and obtain recognition of tax-exempt status from the IRS.

Although there is no requirement to do so, many churches seek recognition of tax-exempt status from the IRS because such recognition assures church leaders, members, and contributors that the church is recognized as exempt and qualifies for related tax benefits. For example, contributors to a church that has been recognized as tax-exempt would know that their contributions generally are tax-deductible.

Unlike churches, religious organizations that wish to be tax exempt generally must apply to the IRS for tax-exempt status unless their gross receipts do not normally exceed \$5,000 annually.

All section 501(c)(3) organizations, including churches and religious organizations, must abide by certain rules:

- Their net earnings may not inure to any private individual or shareholder,
- They must not provide a substantial benefit to private interests,
- They must not devote a substantial part of their activities to attempting to influence legislation,
- They must not participate in, or intervene in, any political campaign on behalf of (or in opposition to) any candidate for public office, and
- The organization's purposes and activities may not be illegal or violate fundamental public policy.

Churches and religious organizations are generally exempt from income tax and receive other favorable treatment under the tax law; however, certain income of a church or religious organization may be subject to tax, such as income from an unrelated business.

An EIN is also known as a Federal Tax Identification Number, and is used to identify a business or non-individual entity. Every organization, including a church, should have an EIN, even if it will not have employees. An EIN is a unique number that identifies the organization much like a social security number identifies an individual. There are many instances in which an EIN is necessary even if the organization is not applying for tax-exempt status. For example, a church needs an EIN when it opens a bank account, in order to be listed as a subordinate in a group ruling, or if it files returns with the IRS (e.g., Forms W-2, 1099, 990-T).

The following is information you may find helpful:

- Publication 1828, Tax Guide for Churches and Religious Organizations
- Form 1023, Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code
- Form 8718, User Fee for Exempt Organization Determination Letter Request

You may obtain the above publication and forms online by visiting our website at www.irs.gov. I also enclosed Publication 2053-A, Quick and Easy Access to IRS Tax Help and Tax Products, for more information on obtaining forms or publications.

This letter is for informational purposes only and is intended to provide general statements of well-defined law. It is not a ruling and may not be relied on as such. See Rev. Proc. 2011-4, 2011-1 I.R.B. 123 (or its successor). This letter will be made available for public inspection. The Internal Revenue Service will delete any name, address and other identifying information as appropriate under the Freedom of Information Act. See Announcement 2000-2, 2000-2 I.R.B. 295. If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

I hope this information is helpful. If you have any questions about this letter, please call
***** (Identification Number *****) at *****.

Sincerely,

David L. Fish
Manager, Exempt Organizations
Guidance

Enclosure (1)