

IRS Reporting

990/990N

All local unions must file the IRS Form 990, 990 EZ, or 990-N annually. All these forms must be filed every year by the 15th day of the 5th month after the close of the local's fiscal year.

Most NAGE locals will be required to file the 990N (for locals with less than \$50,000 in annual receipts).

990/990N Reporting

Local unions must file a Form 990 return by the 15th day of the fifth month after the organization's fiscal year ends. Locals with less than \$50,000 in gross receipts for the fiscal year have to file an electronic postcard over the Internet 990N. The IRS allows 501(c)(5) labor organizations to receive a three-month filing extension by filing IRS Form 8868.

990N e-Postcard

- **\$0- \$49,999 annual receipts/\$0-\$199,999 total assets**
- File form 990-N (this is filed electronically there is no paper form. Even if you have no annual receipts, this form must be filed to retain your local non-profit status. (no IRS penalty for late filing)

Local Employer Identification Number

- Every Local must have a EIN number from the IRS to report employment taxes and to issue tax statements. The EIN is a 9-digit number the IRS issues to each local. If your local has no number, this office will assist you in applying for one.

Why Was the Local Tax-Exempt Status Revoked?

In most cases, the local failed to file the required annual electronic notice (Form 990-N e-Postcard) for three consecutive tax year beginning in 2007, 2008 and 2009. Prior to 2007, local unions with total receipts of less than \$25,000 were not required to file any report to the IRS.

Who Qualifies for Special Reinstatement of Tax Exempt Status

- To qualify for reinstatement the total local receipts for the tax years cannot exceed:
 - \$50,000 in 2011
 - \$50,00 in 2010
 - \$25,000 in 2009
 - \$25,000 in 2008
 - \$25,000 in 2007
 - \$25,000 in 2006

Applying for Reinstatement

The following forms need to be submitted when applying for reinstatement, and can be found at IRS.gov The NAGE office in Quincy can also assist you in obtaining these forms:

- Form 1024 Application for Reinstatement
- Form 8718 - User Fee Form
- Procedural Checklist
- Local unions must include a copy of their local constitution with form 1024. All

filers must include a copy of the organization's financial statements when resubmitting as an 501(c)(5) to the IRS.

Filers can submit their completed 501(c)(5) application to the Internal Revenue Service, P.O. Box 12192, Covington, KY 41012-0192.

Application for Reinstatement

- The application for reinstatement of tax exempt status must be postmarked no later than December 31, 2012.
- The fee for reinstatement is \$100 which must accompany the application.
- Reinstated 990-N locals will have their tax exempt status restored retroactive to the date it was revoked. (990-EZ & 990 have different procedures)
- A local union submitting an application for reinstatement must write "Notice 2011-43"
- on the top of the form 1024 and on the envelope used to mail the form.

(This statement must be attached to 1024 form)

“[Name of Organization-YOUR LOCAL NAME] was not required to file annual information returns for taxable years beginning before 2007; was eligible in each of its taxable years beginning in 2007,2008 and 2009 to file a Form 990-N e-Postcard; and had annual gross receipts of normally not more than \$25,000 in each of its taxable years beginning in 2007, 2008 and 2009.”

Employer identification number (EIN)

Employer identification number (EIN). Every exempt organization must have an EIN, whether or not it has any employees. An EIN is required before an exemption application is submitted. An EIN can be applied for:

Online—Click on the Employer ID Numbers (EINs) link at www.IRS.gov/businesses/small. The EIN is issued immediately once the application information is validated.

By telephone at 1-800-829-4933 from 7:00 a.m. to 10:00 p.m. in the organization's local time zone.
By mailing or faxing Form SS-4, Application for Employer Identification Number.

If your already have an EIN# for your local do not re-apply for a new duplicate#



Automatic Revocation of Tax-Exempt Status

Tax-exempt organizations other than churches and certain church-related organizations are required to file an annual information return or notice with the IRS. Organizations that do not file for three consecutive years automatically lose their tax-exempt status. An automatic revocation is effective on the original filing due date of the third annual return or notice.

The List of Automatically Revoked Organizations is Posted on the IRS Website

On June 8, 2011, the IRS published the initial list of organizations whose tax-exempt status was automatically revoked because of failure to file a required Form 990, 990-EZ, 990-PF or Form 990-N (e-Postcard) for three consecutive years.

IRS has posted the list on www.irs.gov/autorevocationlist. The list gives the name, employer identification number (EIN), organization type, last known address provided by the organization to the IRS, effective date of revocation and the date the organization was added to the list. IRS will post monthly updates with additional organizations whose filing dates have come due.

Reinstating Tax-Exempt Status

The law does not give IRS authority to undo an automatic revocation and there is no appeal process. An automatically revoked organization must apply to have its status reinstated, even if the organization was not originally required to file an application for exemption. It must:

- File *Form 1023* if applying under section 501(c)(3) or *Form 1024* if applying under a different Code section.
- Pay the appropriate *user fee*. The organization's annual gross receipts generally determine the amount of the fee.
- Write "Automatically Revoked" on top of the application and the envelope so the application goes to the proper personnel.
- Smaller organizations eligible for transition relief will instead write "Notice 2011-43" on the application and envelope.

Send the application to:

Internal Revenue Service
P.O. Box 12192
Covington, KY 41012-0192

The Effective Date of Reinstatement

If the IRS approves an organization's application, the date of reinstatement is the date of the application. An organization can ask to have its tax-exempt status reinstated retroactively, to the date of its automatic revocation. The organization must include a letter requesting retroactive reinstatement with its Form 1023 or 1024. The letter must show reasonable cause for the organization's failure to file.

Special Transition Rules for Small Exempt Organizations

The IRS is providing transition relief for small exempt organizations that apply for reinstatement. To qualify, the organizations had to be eligible to file a Form 990-N (e-Postcard) in tax years 2007, 2008 and 2009. Applications must be postmarked by December 31, 2012. *The transition relief includes:*

User Fee:

Reduced to \$100.

Retroactive Reinstatement:

Smaller exempt organizations eligible for the transition relief need only meet certain criteria to obtain retroactive reinstatement.

So the application goes to the proper personnel, smaller organizations eligible for transition relief should write "Notice 2011-43" on the application and letter

The Effect of Losing Tax-Exempt Status

If an organization's tax-exempt status is automatically revoked, it is no longer exempt from federal income tax. Consequently, it may be required to file one of the following federal income tax returns and pay applicable income taxes:

Form 1120, U.S. Corporation Income Tax Return, due by the 15th day of the 3rd month after the end of the organization's *tax year*, or

Form 1041, U.S. Income Tax Return for Estates and Trusts, due by the 15th day of the 4th month after the end of your organization's *tax year*.

An automatically revoked organization is not eligible to receive tax-deductible contributions and will be removed from the cumulative list of tax-exempt organizations, *Publication 78*. The IRS will also send a letter informing the organizations of the revocation.

Automatic Revocation of Tax-Exempt Status *(continued)*

Donors can deduct contributions made before an organization's name appears on the Automatic Revocation List. State and local laws may affect an organization that loses its tax-exempt status as well.

For More Information

- Charities/Non-Profit page: www.irs.gov/eo
- Frequently Asked Questions ([FAQs](#))
- [Automatic Revocations](#)
- [IRS News Release](#)
- Exempt Organizations [Annual Returns](#)
- [Fact Sheet-Annual Form 990 Requirements for Tax-Exempt Organizations \(PDF\)](#)

EO Update Newsletter:

Sign up for the latest IRS news for exempt organizations

StayExempt.irs.gov:

Interactive web- based workshops and mini-courses for exempt organizations

Life Cycle:

Explains how to establish and maintain an exempt organization. Select the "Life Cycle" link at www.irs.gov/eo

Toll-free Customer Account Services

Call 877-829-5500