

July 29, 2010

## One-Time Filing Relief for Failure to File Forms 990

Small organizations at risk of losing their tax-exempt status for failure to file annual returns for 2007-2009 (including the Form 990-N or "e-Postcard," required for organizations whose annual gross receipts are normally \$25,000 or less) can maintain their tax-exempt status by filing returns by October 15, 2010.

The IRS website ([www.irs.gov](http://www.irs.gov)) lists the names and last-known addresses of "at-risk" organizations (for which the IRS has no record of any filed returns for the past three years), along with guidance for correction of violations. The listed organizations have return due dates between May 17 and October 15, 2010. However, the list may not include all organizations that have not filed for these years, including subordinate organizations under group rulings, public charities not required to file an exemption application, and other 501(c) organizations not required to file an exemption application.

The relief program announced by the IRS this week includes two types of relief for small organizations: (i) a filing extension for organizations required to file the Form 990-N, and (ii) a Voluntary Compliance Program for organizations eligible to file the Form 990-EZ. Organizations required to file the Form 990-N should electronically file their returns by October 15 on the IRS website. Under the Voluntary Compliance Program, organizations eligible to file the Form 990-EZ must file any delinquent returns by October 15 and pay a compliance fee. Additional details are available on the IRS website, along with frequently asked questions. The new relief program is not available to larger organizations required to file the Form 990 or to private foundations that file the Form 990-PF.

The IRS will maintain the list of at-risk organizations until October 15, at which time organizations that have failed to file their returns will have their tax-exempt status revoked. The IRS will publish a list of these revoked organizations in early 2011. If an organization loses its exemption, it will be required to reapply to the IRS to regain its tax-exempt status, and income received between the revocation and renewal may be taxable.

If you have any questions regarding the relief program, please feel free to contact one of the attorneys listed below.

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