

## INFORMATION PAPER

**SUBJECT:** Private Organizations Seeking Federal Tax-Exempt Status

1. **Purpose:** To provide guidance for private organizations seeking tax-exempt status from the Internal Revenue Service (IRS).

2. **Discussion:**

a. Private organizations, authorized to operate on Army installations, may qualify for exemptions from federal or state taxes. To be exempt from federal tax, an organization must be described in one of the categories under § 501 of the Internal Revenue Code (IRC). The major classifications of tax-exempt organizations include veterans' organizations, social welfare organizations, charitable organizations, and employees' associations. For a listing of organizations that have been recognized by the IRS as tax-exempt, see [IRS Publication 78](#).

b. For the IRS to recognize an organization's exemption, the organization must be organized as a trust, a corporation, or an association.

c. All organizations applying for tax-exempt status must have an employer identification number (EIN), whether or not it has employees. To obtain an EIN, see [IRS Form SS-4](#), Application for Employer Identification Number.

d. Organizations must file the following forms with the IRS:

(1) An application for recognition of exemption. Complete [IRS Form 1023](#) (for charitable organizations) or [IRS Form 1024](#) (for other tax-exempt organizations). The application your organization is required to submit is specified in [IRS Publication 557](#). The application must include a copy of the organization's articles of incorporation/charter.

(2) Appropriate filing fees. Attach [IRS Form 8718](#), User Fee for Exempt Organization Determination Letter, along with the appropriate filing fee (\$500 or \$150). See the instructions in [IRS Form 8718](#) for further details.

3. For further details on obtaining tax-exempt status for an organization, see [IRS Publication 557](#), the [IRS Exempt Organization Website](#), or call the toll-free IRS customer service line for tax-exempt organizations at (877) 829-5500. For hard copies of IRS publications, call 1-800-IRS-FORM (1-800-829-3676). For information on obtaining state tax-exempt status, contact the bureau of taxation for your particular state. Links to each state bureau of taxation are at <http://www.taxsites.com/state.html>.

# Checklist for Private Organizations Seeking Tax-Exempt Status

**Individuals seeking tax exempt status for their organizations must:**

\_\_\_\_\_ review IRC § 501/IRS Pub 557 to determine whether the organization qualifies for the exemption

\_\_\_\_\_ ensure that the organization was created as a trust, a corporation, or an association and obtain a copy of its articles of incorporation or charter.

\_\_\_\_\_ request an employer identification number (EIN) by submitting IRS Form SS-4.

\_\_\_\_\_ upon receipt of the EIN, request recognition of exempt status by completing IRS Form 1023 or 1024 as appropriate (See IRS Pub 557)

\_\_\_\_\_ submit with IRS Form 1023/1024 appropriate filing fees and complete IRS Form 8718.

\_\_\_\_\_ contact the state bureau of taxation where the organization is located regarding state tax exempt status