

In 2006 a bill was passed by congress requiring that Non Profit Organizations submit their 990: Tax Return for Non Profit Organizations, even if no revenue was generated. This bill went into effect in 2007. For those non-profits that have not filed their “990: Tax Return for Non Profit Organizations” for three consecutive years (2007, 2008, 2009) and are listed on the IRS site as having had their non profit status revoked, please read very carefully and follow the instructions below. Here is a list of steps that need to be taken in order to reinstate your 501c3 nonprofit status.

If you choose not to reinstate your nonprofit status you will be required to file corporate tax returns from the date of revocation on, in addition to longer being “tax exempt” (effective on the revocation date of May 17, 2010).

1. Go to the IRS website [www.irs.gov/eo](http://www.irs.gov/eo)
2. Click on the link : **Recent Revocations and determinations of 501c3 status**
3. On the left side of the page under “**IRS resources**” click on “**Where to File**”
4. On this page, in the body of the page, you will see links to forms in parenthesis after” Requests for determination...” Click on **Form 1023**
5. This will bring up a “.pdf” file. Fill out the form, print and sign.
  - If you would normally file the 990N, your user fee will be \$100.
  - For all other users of forms 990, 990PF and 990EZ your user fees will be:
    - \$400 if average income during the past three years is less than \$10,000
    - \$850 if average income was more than \$10,000.

**Make check payable to :**

**United States Treasury**

6. Please write “Automatically Revoked” on the top of the completed and ready to mail form as well as on the mailing envelope that you will use to send in your companies forms.

It is recommended that you also submit a request for retroactive reinstatement. It is not mandatory but if you choose not to submit this section,

your reinstatement will only be effective from the date of reinstatement and your nonprofit will be responsible for submitting a corporate tax return for the period between revocation and reinstatement.

All letters and forms listed below regarding retroactive reinstatement should be mailed in the same envelope with your Form 1023.

If also seeking a retroactive reinstatement of exemption to the revocation date of May 17, 2010 you will need to write a letter as follows:

The request for retroactive reinstatement must include the following:

(1) A written statement setting forth all of the facts that support its claim for reasonable cause for failing to file a required return or notice in each of the three consecutive years and over the entire consecutive three-year period, including a detailed description of all the facts and circumstances that led to each failure and the continuous failure, the discovery of the failures, and the steps taken to avoid or mitigate the failures;

(2) A written statement describing the safeguards the organization has put into place to ensure that the organization will not fail to file returns or notices in the future;

(3) Evidence to substantiate all material aspects of the written statements described in paragraphs (1) and (2) of this section;

(4) Properly completed and executed paper annual information returns (Forms 990, Forms 990-EZ, or Forms 990-PF, whichever is applicable) for all taxable years during and after the consecutive three-year period that the organization was required, but failed, to file an annual information return;

(5) Properly completed and executed Forms 990-EZ for all taxable years during and after the consecutive three-year period that the organization was eligible to file a Form 990-N e-Postcard but failed to file either a Form 990-N e-Postcard or an annual information return; and

(6) An original declaration, dated and signed under penalties of perjury by an officer, director, trustee, or other official who is authorized to sign for the organization in the following form:

I, \_\_\_\_\_ (Name), \_\_\_\_\_ (Title) declare, under penalties of perjury, that I am authorized to sign this request for retroactive reinstatement on behalf of [Name of Organization],

and I further declare that I have examined this request for retroactive reinstatement, including the written explanation of all the facts and information pertaining to the claim for reasonable cause and the evidence to substantiate the claim for reasonable cause, and to the best of my knowledge and belief, this request is true, correct, and complete.

#### .02 Reasonable Cause Standard

Because the failure described in section 6033(j)(1) involves a repeated and continuous failure to file annual returns or notices for a consecutive three-year period, an organization seeking retroactive reinstatement under section 6033(j)(3) must demonstrate that it had reasonable cause for failing to file a return or notice not only for each of the three years but also over the entire three year period. Thus, for example, showing reasonable cause for failing to file a required return or notice for the first of the three years by the date it was due would be insufficient; an organization also would have to show reasonable cause for not filing that return or notice at any later time during the three-year period and for not filing required returns or notices for the second and third years of the three-year period.

In order to establish reasonable cause under section 6033(j)(3), an organization requesting retroactive reinstatement must provide evidence that it exercised ordinary business care and prudence in determining and attempting to comply with its reporting requirements under section 6033 for each of the three years and over the entire three-year period, but was nevertheless unable to file the required returns or notices for three consecutive years. In determining whether the organization establishes reasonable cause, the IRS will take into account all pertinent facts and circumstances, including, but not limited to, the following factors that weigh in favor of finding reasonable cause (with no single factor being either necessary or determinative):

(1) The organization's failure was due to its reasonable, good faith reliance on erroneous written information from the IRS, stating that the organization was not required to file a return or notice under section 6033, provided the IRS was made aware of all relevant facts.

(2) The failure to file the returns or notices arose from events beyond the organization's control ("impediment") that made it impossible for the organization to file returns or notices for each of the three years at issue and over the entire three-year period.

(3) The organization acted in a responsible manner by undertaking

significant steps to avoid or mitigate the failure to file the required returns or notices and to prevent similar failures in the future, including, but not limited to--

(a) Attempting to prevent an impediment or a failure, if it was foreseeable;

(b) Acting as promptly as possible to remove an impediment or the cause of the reporting failure, once the failure was discovered; and

(c) After the failure was discovered, implementing sufficient safeguards to ensure future compliance with the reporting requirements under section 6033.

(4) Aside from the three consecutive years in which the organization failed to file returns or notices, the organization has an established history of complying with its reporting requirements (if any) under section 6033 and/or any other applicable reporting or other requirements under the Code.

In determining whether reasonable cause exists, the IRS will only consider a factor on the above list or any other factor (such as the fact that substantially all of an organization's activities are performed by volunteers) if the organization shows to the satisfaction of the IRS evidence to substantiate the factor.

7.

- If you would normally file the 990, 990EZ or 990PF: you will also need to send the 990 forms for all three delinquent years with these other forms/letter. **You will not have to pay late penalties on these late returns if you submit your requests before the deadline and to the correct address (listed below).**
- If you would normally file the 990N you do not need to do this.

8. Make copies of completed forms and letter then mail to :

**Internal Revenue Service**

**PO Box 12192**

**Covington, KY 41012-0192**

**All forms must be completed and mailed by Dec. 31, 2012 in order to be considered. Each company's forms will be reviewed by an individual with the IRS in order to determine whether all necessary guidelines have been met. You**

**should be contacted by the IRS if they have more questions or to let you know the results of your submission. You may also call and check on the status of your submission using the phone number listed below.**

For more information go to :

Fact Sheet: [http://www.irs.gov/pub/irs-tege/auto\\_revocation\\_fs\\_060811.pdf](http://www.irs.gov/pub/irs-tege/auto_revocation_fs_060811.pdf)

FAQ: <http://www.irs.gov/charities/article/0,,id=221600,00.html>

**Or call : 877-829-5500** – Toll-free Customer Account Services

**In the future:**

**990, 990EZ, 990N, or 990PF MUST BE FILED ANNUALLY (even if the company has no income for the year).** The only exceptions to this rule are churches.