

IRS Filings Due Soon

March 2002

1120-POL: Annual Tax Return

Forms 1120-POL are required to be filed on March 15, 2002 by all political organizations that account on a calendar-year basis and have \$25,000 or more in gross receipts for the taxable year or in excess of \$100 in taxable income (e.g., income from a trade or business such as interest). We recommend filing these forms timely, but a political organization may file Form 7004 to request a six-month extension of the time to file Form 1120-POL. However, tax that is owed must still be paid by March 15 or be subject to interest and penalties. Except for payments by large organizations that must be submitted electronically, all tax payments must be sent to a bank and accompanied by a preprinted deposit coupon (Form 8109). A political organization should have received a book of these coupons from the IRS shortly after receiving its Employer Identification Number ("EIN"). If an organization does not have a preprinted coupon, it must instead use Form 8109-B which can only be obtained by calling the IRS (1-800-829-1040) or visiting a local IRS service center.

Form 990: Annual Informational Return

Calendar-year political organizations with gross receipts of \$25,000 or more are required to file Form 990 with the IRS by May 15, 2002 for the first time this year. The IRS is working on questions and answers to assist political organizations complete these forms. We recommend waiting for guidance from the IRS before completing these forms. Filers may request an automatic three-month extension by filing Form 8868. Additional, non-automatic extensions may be requested by using the same form.

State Taxes

Every state and the District of Columbia has its own rules regarding the payment of taxes by PACs. You should consult with your tax advisor regarding your state's tax laws.