

IRS Releases New Tax-Exempt Application for 501(c)(4) Organizations

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The IRS recently released a new Form 1024-A application for recognition of tax exemption under Section 501(c)(4) of the Internal Revenue Code, which is now to be used by (c)(4)s instead of the Form 1024 effective January 16, 2018. According to IRS Revenue Procedure 2018-10, 501(c)(4) organizations may now request an IRS determination letter of their tax-exempt status by submitting a completed Form 1024-A application, along with Form 8718, *User Fee for Exempt Organization Determination Letter Request*. Additionally, the penalty of perjury statement signature must now be signed and dated by the taxpayer, rather than the taxpayer's authorized representative. The new instructions to Form 1024-A have also been significantly revised.

The Form 1024-A was created to comport with the requirements of Section 506(f) of the Protecting Americans from Tax Hikes Act (the PATH Act), which Congress added to the Code on December 18, 2015. In its discussion of Section 506(f), the Joint Committee on Taxation stated that Congress intended to create a new, separate form for 501(c)(4) organizations clarifying that requesting determination letters of tax-exempt status is optional. While the IRS does not require 501(c)(4) organizations to apply (except in certain exceptional cases) for tax exemption the way it does for many 501(c)(3) organizations, 501 (c)(4) organizations will often still opt to receive official recognition of their exempt status up front. Submitting Form 1024-A does not, however, eliminate the existing requirement for organizations to notify the IRS within 60 days of formation that they are operating as a 501(c)(4) by filing Form 8976, *Notice of Intent to Operate Under Section 501(c)(4)*.

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Practice Areas

Election Law & Government Ethics

Form 1024 will continue to be used for other non-501(c)(3) organizations applying for recognition of exempt status, such as 501(c)(5), (c)(6), and (c)(7) organizations.