

CLIENT ALERTS

IRS Releases Simplified Application Form for Exempt Organizations

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Butzel Long Client Alert!

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On July 1 the Internal Revenue Service released a short-form tax exemption application, called 1023-EZ, designed to ease the process for small charities to apply for IRS recognition of their 501 (c)(3) tax-exempt status.

The new Form 1023-EZ is 3 pages long, compared with the standard Form 1023 that is 26 pages with multiple schedules and attachments. Most organizations with projected gross receipts of \$50,000 or less and assets of \$250,000 or less will be eligible to use the short form. This could save eligible organizations thousands of dollars in legal fees and months of time. The IRS estimates that as many as 70% of charities could use the shorter form, and believes this may also help speed processing of larger exempt organization filings as IRS staff and resources won't be tied up on lengthy reviews of smaller organizations.

To read the complete alert, please click on the link under "Related Files."

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Joseph G. Cosby
Of Counsel

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