

New Electronic Filing Requirement for Small Tax-Exempt Organizations - Annual Electronic Notice - e-Postcard (Form 990-N)

Beginning in 2008, small tax-exempt organizations that previously were not required to file returns may be required to file an annual electronic notice, Form 990-N, *Electronic Notice (e-Postcard) for Tax-Exempt Organizations not Required To File Form 990 or 990-EZ*. This filing requirement applies to tax periods beginning after December 31, 2006.

Small tax-exempt organizations, whose gross receipts are normally \$25,000 or less, are not required to file Form 990, *Return of Organization Exempt From Income Tax*, or Form 990-EZ, *Short Form Return of Organization Exempt from Income Tax*. With the enactment of the Pension Protection Act of 2006 (PPA), these small tax-exempt organizations will now be required to file electronically Form 990-N, also known as the e-Postcard, with the IRS annually. Exceptions to this requirement include organizations that are included in a group return, private foundations required to file Form 990-PF, and section 509(a)(3) supporting organizations required to file Form 990 or Form 990-EZ.

The IRS will mail educational letters starting in July 2007 notifying small tax-exempt organizations that they may be required to file the e-Postcard. The IRS is developing an electronic filing system (there will be no paper form) for the e-Postcard and will publicize filing procedures when the system is completed and ready for use.

The PPA requires the IRS to revoke the tax-exempt status of any organization that fails to meet its annual filing requirement for three consecutive years. Therefore, organizations that do not file the e-Postcard (Form 990-N), or an information return Form 990 or 990-EZ for three consecutive years, will have their tax-exempt status revoked as of the filing due date of the third year.

SUMMARY OF ANNUAL TAX RETURNS FILED BY PTA UNITS

FORM #	DESCRIPTION
990 N (IRS)	Electronic Notice (e-Postcard) For Tax-Exempt Organizations with gross receipts under \$25,000.00 and are not Required To File Form 990 or 990-EZ. This filing requirement applies to tax periods beginning after December 31, 2006.
990 (IRS)	Return of Organization Exempt from Income Tax For all exempt organizations whose gross receipts are normally more than \$25,000 annually and current year receipts are \$100,000 or more and total assets are \$250,000 or more
990-EZ (IRS)	Short Form Return of Organization Exempt From Income Tax For all exempt organizations whose gross receipts are normally more than \$25,000 annually and current year gross receipts are less than \$100,000 and total assets are less than \$250,000
990-Schedule A (IRS)	Organization Exempt Under Section 501 (c)(3) All organizations exempt under section 501 (c)(3) must attach Schedule A to Form 990 or 990-EZ
990-Schedule B (IRS)	Schedule of Contributors A 501(c)(3) organization must list contributions of \$5,000 or more (cash or non-cash) from single contributors. A unit may be required to file the form even if no single contributor gave \$5,000 or more
990- T (IRS)	Exempt Organization Business Income Tax Return All exempt organizations with gross unrelated business income of \$1,000 or more must report such income on Form 990-T
109 (California)	California Exempt Organization Business Income Tax Return All California exempt organizations with gross unrelated business income of \$1,000 or more must file Form 109 (must be filed if Form 990-T is filed)

The due date for all of these forms is the 15th day of the fifth month after the fiscal year end.
For example, a unit with a year end of June 30 must file these forms by November 15th.
Extensions of time to file are available if properly requested using IRS Form 8868.
If the PTA received a 990 Package but is not required to file: attach the label to the return; check the box to indicate that gross receipts are not more than \$25,000; elected officer signs the return; send to IRS.

COUNCILS AND DISTRICTS MUST FILE THE FOLLOWING FORM IN ADDITION TO THOSE NOTED ABOVE. UNITS THAT ARE NOT INCLUDED IN THE STATE PTA'S FORM 199 GROUP FILING MUST ALSO FILE THE FOLLOWING FORM

RRF-1 (California)	Registration/Renewal Fee Report Must be filed by every public benefit organization required to register with the California Attorney General's Registry of Charitable Trusts. Form RRF-1 must be filed annually within four months and fifteen days after the end of an organization's accounting period. No extensions will be granted for filing Form RRF-1.
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DISTRICTS MUST FILE THE FOLLOWING FORM. *UNITS THAT ARE NOT INCLUDED IN THE STATE PTA'S FORM 199 GROUP FILING MUST ALSO FILE THE FOLLOWING FORM *(including units that are separately incorporated with the State of California)

199 (California)	California Exempt Organization Annual Information Return Filed by all exempt organizations whose gross receipts are normally more than \$25,000 annually
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OTHER FORMS THE UNIT MAY WISH TO FILE

8868 (IRS)	Application for Extension of Time to File an Exempt Organization Return May be filed once to request an automatic three month extension of time to file Form 990-EZ or 990; may be filed a second time to request an additional three month extension, subject to IRS approval. The form is also used to request an automatic 6 month extension of time to file Form 990-T.
1128 (IRS)	Application to Adopt, Change, or Retain a Tax Year May be filed to request a change in the organization's fiscal year.
4506 (IRS)	Request for Copy or Transcript of Tax Form May be filed to request a copy of a return that has been misplaced.

All tax forms can be easily downloaded from Web sites: IRS (www.irs.gov)
and State of California (www.ca.gov): Franchise Tax Board for Forms 109 and 199;
Department of Justice (Registry of Charitable Trusts) for Form RRF-1