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## **MEMORANDUM: I.R.S. FILING REQUIREMENTS**

### **I. TYPE OF COMMITTEE OR POLITICAL ORGANIZATION**

#### **A. State - local candidate committees, multi-candidate committees and party committees:**

Do not have to file anything with the I.R.S., unless they have taxable income (e.g., interest and dividends) over \$100. In that case, they only have to file Form 1120-POL, "U.S. Income Tax Return for Certain Political Organizations". (This form must be filed by the 15<sup>th</sup> day of the third month following the close of the organization's taxable year; usually March 15<sup>th</sup>).

#### **B. PACs and all others (including caucuses or an association of state or local officials):**

##### **1. If they file with the F.E.C., or have gross receipts of less than \$25,000:**

Do not have to file anything with the I.R.S., unless they have taxable income (e.g., interest and dividends) over \$100. In that case, they only have to file Form 1120-POL, "U.S. Income Tax Return for Certain Political Organizations".

##### **2. If they do not file with the F.E.C. and have gross receipts of \$25,000 or more:**

They may have to file one or more of the following forms -

**Form 8871** ("Political Organization Notice of Section 527 Status") - Must be filed except if tax-exempt under Section 501 (c) of the I.R.S. Code as having taxable income under section 527 (f) (1); or do not seek tax exempt status.

**Form 8872** ("Political Organization Report of Contributions/Expenditures") - Must be filed **except** if do not have to file Form 8871; or if subject to tax as did not file/amend, when required, Form 8871; or if a qualified state or local political organization (**QSLPO**). Organizations, other than **QSLPOs**, that file Form 8871 must file Form 8872. The exception for QSLPOs is significant for state/local PACs/others with gross receipts of \$25,000 or more that do not file with the F.E.C. - if they meet all requirements of a QSLPO, they do not have to file Form 8872. **QSLPO criteria:** **1)** All political activities relate solely to state or local public office or office in a state or local political organization; **2)** Org. is subject to state law that requires it to report (and it does) to a state agency about contributions/expenditures similar to information it would otherwise be required to report to the I.R.S. (Note: county filing pursuant to state law are deemed filed with the state); **3)** The state agency and the organization make

the report publicly available; and **4**) No Federal Candidate or office holder controls it or materially participates in its direction, solicits contributions for it, or directs any of its disbursements.

**Form 990/990EZ** (“Return of Organization Exempt From Income Tax”) - Unless fall within an exception, must file if have gross receipts of \$25,000/more for the taxable year, or \$100,000 if a **QSLPO**. Form 990/990EZ used if gross receipts are less than \$100,000 and assets are less than \$250,000 at end of year. **Exceptions:** Do not file if not required to file Form 8871; or are a caucus or association of state or local officials. State/local PACs, or others that are not a caucus or association of state or local officials, that meet the definition of QSLPO and have gross receipts less than \$100,000, do not have to file Form 990. If they do not meet the requirements of a **QSLPO** and have gross receipts of \$25,000/more, then they have to file Form 990.

**Form 1120-POL** (“U.S. Income Tax Return for Certain Political Organizations”) - Must be filed only if have taxable income over \$100 in a taxable year (e.g. interest, dividends, rents and other types of receipts). (There is a specific deduction of \$100.) Includes tax-exempt political organizations that do not have gross receipts of a least \$25,000.

## II. **DETAILS ON CERTAIN FILING REQUIREMENTS**

**Form 8871** (“Political Organization Notice of Section 527 Status”) - This form, which must be filed electronically, is only required to be filed once, within 24 hours after the committee is established, or the next business day following a weekend/legal holiday. After it has been filed, if there is a material change in information, including termination, an amended form must be filed within 30 days of the material change.

**Form 8872** (“Political Organization Report of Contributions/Expenditures”) - This form must be filed monthly or quarterly in any year in which there is a regularly scheduled federal general election held (even numbered years); Semiannually or monthly in all other years (odd numbered years). The organization can opt for either monthly or quarterly filings or semiannual or monthly filings as the case may be, but it must file on the same basis for the entire calendar year. There are also pre-election and post-election report filing requirements which impact the filing option chosen, and which are explained in greater detail on the I.R.S. Instruction for Form 8872.

**Form 990/990EZ** (“Return of Organization Exempt From Income Tax”) - This form must be filed on the 15<sup>th</sup> day of the 5<sup>th</sup> month after the end of the organizations taxable year. There is a penalty for failure to file this form. There is a three month extension available, without cause, upon filing the requisite form, and an additional extension available, with cause, upon filing the requisite form.

**Form 1120-POL** (“U.S. Income Tax Return for Certain Political Organizations”) - This form must be filed by the 15<sup>th</sup> day of the third month following the close of the organization’s taxable year, usually March 15<sup>th</sup>.

**Note:** The I.R.S. website [www.irs.gov](http://www.irs.gov) should be consulted for specific details/explanations.