

## IRS Gives Some Non-Filers One Last Chance

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As we noted in an [earlier alert](#), organizations that failed to file returns for tax years 2007, 2008, and 2009 will automatically lose their exempt status this year. On July 26th, however, the IRS announced a one-time relief program for some organizations that will give them a "pass" until October 15, 2010. This program applies only to small organizations eligible to file Form 990-N or Form 990-EZ for each of the last three years.

The IRS posted a list of the organizations at-risk of losing their tax-exempt status, at least according to IRS records. If there is any doubt about filing status, organization managers may want to review this list to confirm whether or not their organizations are at risk. However, organizations should not assume that the absence of their names from this list means that they are in the clear. The IRS acknowledges that the list may be incomplete and certain organizations at risk of automatic revocation may not be listed. So, if in doubt, organizations should also double-check their own records to verify that they have filed returns in the past three years.

Two types of relief are available:

1. a filing extension for the smallest organizations required to file Form 990-N
2. a voluntary compliance program ("VCP") for small organizations eligible to file Form 990-EZ.

To become compliant, small organizations required to file Form 990-N can go to the IRS website and electronically file it by October 15th. The VCP program requires organizations to pay a compliance fee in addition to filing delinquent returns by October 15th.

Importantly, the relief announced by the IRS is not available to larger organizations required to file the Form 990 or to private foundations that file the Form 990-PF.

Eligible organizations that have not filed the required returns by October 15th will have their tax-exempt status revoked. The IRS will publish a list of these revoked organizations in early 2011.