



IRS Releases Online 1024-A for 501(c)(4)s

January 13, 2021

On January 5, 2021, the IRS issued a revised Form 1024-A, which is the application that Code Section 501 (c)(4) social welfare organizations use to apply to the IRS for recognition of their tax-exempt status. The Form 1024-A (and the \$600 user fee) will now need to be submitted electronically on pay.gov. The IRS will continue to accept paper versions of the 1024-A until April 5.

Although 501(c)(4) organizations must notify the IRS of their existence using Form 8976 and file annual information returns, 501(c)(4) organizations are not required to apply to the IRS for recognition of their tax-exempt status. Rather, 501(c)(4) organizations can "self-declare" that they are tax-exempt. However, it is often advisable for 501(c)(4)s to seek official recognition from the IRS. This gives the organization certainty that it qualifies as tax-exempt, and potential funders often ask 501(c)(4)s for proof of their tax-exempt status.

Most 501(c)(3) organizations — such as educational organizations, foundations, and health care providers — must apply to the IRS and be recognized as tax-exempt. These organizations apply for tax-exemption using the Form 1023, which must also be submitted on pay.gov.

Lathrop GPM's nonprofit organizations team regularly helps new nonprofit organizations establish a strong foundation and obtain tax-exempt status.