

IRS**Fact Sheet****Media Relations Office**
For Release: May 2002**Washington, D.C.****Tel. 202.622.4000**
Release No: FS-2002-11**SECTION 527 POLITICAL ORGANIZATIONS – TAX FILING REQUIREMENTS**

Political organizations that have tax-exempt status under section 527 of the Internal Revenue Code must file some or all of four forms as a condition of tax-exempt status.

Political organizations include parties, committees, associations, funds or other entities organized and operated “primarily for the purpose of directly or indirectly accepting contributions or making expenditures.” Political organizations accept contributions and make expenditures for the purpose of influencing the “selection, nomination, election, or appointment of any individual to Federal, State, or local public office or office in a political organization, or the election of Presidential electors.” Political organizations include political party committees, Federal, State and local candidate committees and other political committees such as political action committees (PACs).

Who Must File

The filing requirements in the chart below apply to those political organizations that:

- wish to be exempt from federal income tax provisions, and
- receive or expect to receive \$25,000 or more in gross receipts in any taxable year.

<i>If You Are A</i>	<i>You File</i>
Federal candidate committee, political party committee, or PAC required to report to the Federal Election Commission (FEC)	<ul style="list-style-type: none"> ➤ Form 1120-POL; and ➤ Form 990 or Form 990-EZ
State or local candidate committee or state or local committee of a political party	<ul style="list-style-type: none"> ➤ Form 8871; ➤ Form 1120-POL; and ➤ Form 990 or Form 990-EZ
Any other political organization, including state or local PACs and federal political organizations that are not required to report to the FEC	<ul style="list-style-type: none"> ➤ Form 8871; ➤ Form 8872; ➤ Form 1120-POL; and ➤ Form 990 or Form 990-EZ

NOTE: You still file a Form 1120-POL if you are:

- A political organization that does not seek tax-exemption, or

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- A tax-exempt political organization that does not have gross receipts of at least \$25,000, but does receive in excess of \$100 in taxable income in any taxable year.

Form Filing Requirements

1. Form 8871 – Notice of 527 Status

To be tax-exempt, a political organization that expects to receive \$25,000 or more in gross receipts in any taxable year must file Form 8871 with the IRS, unless it is required to report as a political committee to the FEC. Form 8871, *Political Organization Notice of 527 Status*, must be filed both electronically and in writing, within 24 hours of the political organization's establishment. Until it files the form, its income (including contributions) is subject to taxation and is reported on Form 1120-POL.

2. Form 8872 - Report of Contributions and Expenditures

Political organizations file Form 8872, *Political Organization Report of Contributions and Expenditures*, to disclose information concerning:

- persons receiving expenditures that aggregate \$500 or more per person, per calendar year; and
- persons making contributions that aggregate \$200 or more per person, per calendar year.

A political organization that does not disclose this information must pay an amount equal to the highest corporate tax rate (35 percent) multiplied by the amount of contributions and expenditures not disclosed and report this on the Form 1120-POL. If a political organization does not file Form 8871 and is subject to tax on its income, it is not required to file Form 8872.

For filing dates, see Q&A-28 through Q&A-33 of Revenue Ruling 2000-49.

3. Form 1120-POL – U.S. Income Tax Return for Certain Political Organizations

Form 1120-POL, *U.S. Income Tax Return for Certain Political Organizations*, is due by the 15th day of the 3rd month after the end of the organization's taxable year. Political organizations may request a six-month extension of the filing deadline by filing Form 7004, *Application for Automatic Extension of Time to File Corporate Income Tax Return*. This extension must be filed by the due date of Form 1120-POL. There is a penalty for failure to file Form 1120-POL.

4. Form 990 or 990-EZ – Return of Organization Exempt from Income Tax

Exempt political organizations with gross receipts of less than \$100,000 and assets of less than \$250,000 at the end of the year may file a Form 990-EZ, *Short Form Return of Organization Exempt from Income Tax*. All other exempt political organizations should file a Form 990, *Return of Organization Exempt from Income Tax*. Forms 990 or 990-EZ are due on the 15th day of the 5th month after the end of the organization's taxable year. There is a penalty for failure to file this return.

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Organizations may request a three-month extension, without showing cause, by filing Form 8868, *Application for Extension of Time to File an Exempt Organization Return*, by the due date. A second three-month extension, with cause, may also be requested through Form 8868.

Form	When filed	Exceptions to filing requirement
8871	Within 24 hours of establishment	<ul style="list-style-type: none"> ➤ Political committee required to report to the FEC; ➤ Organization that reasonably expects annual gross receipts to always be less than \$25,000
8872	At organization's option, quarterly/semiannually or monthly, on same basis for entire calendar year (see form instructions for detailed information)	<ul style="list-style-type: none"> ➤ Political committees required to report to the FEC; ➤ State and local committees of political parties; ➤ Campaign committees of state and local candidates; ➤ Organizations that reasonably expect gross receipts to always be less than \$25,000
1120-POL	Due the 15th day of the 3rd month after the close of the taxable year	<ul style="list-style-type: none"> ➤ Political organizations whose annual gross receipts are less than \$25,000, and who have taxable income less than \$100
990 or 990-EZ	Due the 15th day of the 5th month after the close of the taxable year	<ul style="list-style-type: none"> ➤ Political organizations whose annual gross receipts are less than \$25,000

Questions about the filing requirement may be directed to the Tax Exempt and Government Entities Customer Account Services toll free number 1-877-829-5500. Assistance is available 8:00 a.m. to 6:30 p.m. EST, Monday through Friday.

Section 527 organizations must make their reports publicly available for inspection and copying at their principal place of business. The IRS also posts Forms 8871 and 8872 on IRS.gov web site. Information on reporting requirements for tax-exempt political organizations also is available in Publication 557.

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