



DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE

LABOR AND EMPLOYMENT RELATIONS  
ASSOCIATION  
504 E ARMORY AVE 121  
CHAMPAIGN IL 61820

DATE OF THIS NOTICE:

June 21, 2007

Employer Identification Number: 39-0828504

Dear Sir or Madam:

We are writing to ask for your assistance in informing your subordinates about a new annual electronic filing requirement for small tax-exempt organizations. Subordinates that are not included in a group return and that did not have a filing requirement in the past may be required to submit this annual electronic notice to ensure continued recognition of their tax-exempt status.

#### New Filing Requirements

Beginning in 2008, small tax-exempt organizations that previously were not required to file returns may be required to submit an annual electronic notice, Form 990-N, *Electronic Notice (e-Postcard) for Tax-Exempt Organizations not Required To File Form 990 or 990-EZ*. 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 (PPA) of 2006, these small tax-exempt organizations will now be required to electronically submit Form 990-N, also known as the e-Postcard, with the IRS annually.

Exceptions to the e-Postcard filing requirement include organizations that are included in a group return; private foundations required to file Form 990-PF, *Return of Private Foundation or Section 4947(a)(1) Trust Treated as a Private Foundation*; and section 509(a)(3) supporting organizations required to file Form 990 or Form 990-EZ as described below. In addition, this filing requirement does not apply to churches, their integrated auxiliaries, and conventions or associations of churches.

The PPA also changed the filing requirement for section 509(a)(3) supporting organizations. In 2008, supporting organizations with gross receipts that are normally \$25,000 or less will generally be required to file a paper or electronic Form 990 or Form 990-EZ. However, if the organization is a supporting organization of a religious organization with gross receipts of \$5,000 or less, it must file the e-Postcard.

The e-Postcard will require the organization to provide basic information such as their name and address, any other names they use, a Web address if they have one, the name and address of a principal officer of the organization, and a statement that the organization's annual gross receipts are still normally \$25,000 or less.

The PPA added this filing requirement to improve transparency within the non-profit sector. The information provided is disclosable and will ensure that donors and the IRS have current information about these small tax-exempt organizations.

### **How to Submit the e-Postcard**

Small organizations must submit the e-Postcard electronically. There will be no paper form. The IRS is developing an electronic filing system for the e-Postcard. Filing procedures will be publicized on the IRS website at [www.irs.gov/efo](http://www.irs.gov/efo) when the system is completed and ready for use.

### **Consequences of not Filing the e-Postcard**

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, any organization that does not file the e-Postcard, or a required information return Form 990, Form 990-EZ or Form 990-PF will have their tax-exempt status revoked as of the filing due date of the third year.

The organization must apply (or reapply) for tax-exempt status and pay the appropriate user fee to have its tax-exempt status reinstated if it was revoked for failing to file for three consecutive years. Reinstatement of tax-exempt status may be retroactive if the organization can show that it had reasonable cause for not filing.

### **How You Can Help**

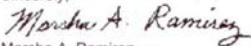
In July, we will begin sending educational letters to small organizations explaining this new filing requirement. However, because many small organizations have little contact with the IRS after they receive their tax-exempt status, we are asking you to notify your subordinates about the e-Postcard filing requirement. Please direct your subordinates to our website, [www.irs.gov/efo](http://www.irs.gov/efo), for more information.

If your organization has a web site, we would appreciate your posting a link to <http://www.irs.gov/charities/article/0,,id=169250,00.html>. This site contains current information about the e-Postcard filing requirements. We also encourage you and your subordinates to sign up for *EO Update*, Exempt Organization's free email newsletter. Subscribers will automatically receive the latest information about e-Postcard. You can subscribe to *EO Update* at [www.irs.gov/efo](http://www.irs.gov/efo).

If you have any questions, please visit our website. If you cannot find the information you need, you may call our toll-free number at (877) 829-5500.

Thank you for your assistance.

Sincerely,

  
Marsha A. Ramirez  
Director, EO Examinations