

Comprehensive Guide to Applying for 501(c) Tax-Exempt Status

Applying for 501(c) tax-exempt status is a crucial step for nonprofits seeking to operate legally and attract tax-deductible donations. This guide provides a detailed, step-by-step approach to the application process, including relevant websites and resources.

1. 501(c)(3) - Charitable, Religious, and Educational Organizations

Overview: 501(c)(3) organizations are the most common nonprofit entities, eligible for tax-deductible donations.

Steps:

1. **Determine Eligibility:** Your organization must be organized and operated exclusively for charitable, religious, educational, scientific, or similar purposes.
2. **Form an Entity:** Establish your organization under state law as a corporation, trust, or unincorporated association.
3. **Obtain an Employer Identification Number (EIN):** Apply for an EIN through the IRS website.
URL: <https://www.irs.gov/businesses/small-businesses-self-employed/apply-for-an-employer-identification-number-ein-online>
4. **Prepare Form 1023 or 1023-EZ:**
 - o **Form 1023:** For organizations with gross receipts over \$50,000 or total assets over \$250,000.
 - o **Form 1023-EZ:** Simplified application for smaller organizations.
5. **Submit Form 1023/1023-EZ:** Include your EIN, organizing documents, financial statements, and narrative of your activities.
URL: <https://www.irs.gov/forms-pubs/about-form-1023>
URL: <https://www.irs.gov/forms-pubs/about-form-1023-ez>

Useful Links:

- IRS 501(c)(3) Application: <https://www.irs.gov/charities-non-profits/applying-for-tax-exempt-status>
- Charity FAQs: <https://www.irs.gov/charities-non-profits/charitable-organizations/charities-and-nonprofits-frequently-asked-questions>

2. 501(c)(4) - Social Welfare Organizations

Overview: 501(c)(4) organizations are primarily focused on promoting social welfare and may engage in some political activities.

Steps:

1. **Determine Eligibility:** Your organization must be organized for the promotion of social welfare, which includes civic betterment and advocacy.
2. **Form an Entity:** Incorporate under state law.
3. **Obtain an EIN:** Required before applying for tax-exempt status.
4. **Prepare Form 1024:** This is the application for recognition of exemption for most 501(c)(4) organizations.
5. **Submit Form 1024:** Include the necessary supporting documents and the user fee.
URL: <https://www.irs.gov/forms-pubs/about-form-1024>

Useful Links:

- IRS 501(c)(4) Application: <https://www.irs.gov/charities-non-profits/other-non-profits/applying-for-tax-exempt-status-501c4>

3. 501(c)(6) - Business Leagues, Chambers of Commerce

Overview: 501(c)(6) organizations are business leagues, chambers of commerce, or other similar organizations that promote a common business interest.

Steps:

1. **Determine Eligibility:** Ensure your organization is a membership-based organization and promotes a common business interest.
2. **Form an Entity:** Incorporate according to state law.
3. **Obtain an EIN:** Necessary for your organization's identification.
4. **Prepare Form 1024:** Apply for recognition of exemption by filing Form 1024.
5. **Submit Form 1024:** Submit with all required documentation.
URL: <https://www.irs.gov/forms-pubs/about-form-1024>

Useful Links:

- IRS 501(c)(6) Application: <https://www.irs.gov/charities-non-profits/other-non-profits/business-leagues>

4. 501(c)(7) - Social and Recreational Clubs

Overview: 501(c)(7) organizations are organized for pleasure, recreation, and other non-profitable purposes.

Steps:

1. **Determine Eligibility:** Your club must be a membership organization that provides social and recreational activities.
2. **Form an Entity:** Incorporate under state law.
3. **Obtain an EIN:** Required for tax-exempt application.
4. **Prepare Form 1024:** Use this form to apply for recognition of exemption.

5. **Submit Form 1024:** Include supporting documentation and fees.
URL: <https://www.irs.gov/forms-pubs/about-form-1024>

Useful Links:

- IRS 501(c)(7) Application: <https://www.irs.gov/charities-non-profits/other-non-profits/social-clubs>

5. 501(c)(8) and 501(c)(10) - Fraternal Beneficiary Societies and Domestic Fraternal Societies

Overview: 501(c)(8) organizations provide for payment of life, health, accident, or other benefits to members. 501(c)(10) organizations are domestic fraternal societies that do not provide such benefits.

Steps:

1. **Determine Eligibility:** Ensure your organization operates under a lodge system with a representative form of government.
2. **Form an Entity:** Incorporate as required by your state.
3. **Obtain an EIN:** Necessary for applying for tax-exempt status.
4. **Prepare Form 1024:** Use this form to apply for recognition of exemption.
5. **Submit Form 1024:** Attach necessary documentation and pay the applicable fee.
URL: <https://www.irs.gov/forms-pubs/about-form-1024>

Useful Links:

- IRS 501(c)(8) and 501(c)(10) Application: <https://www.irs.gov/charities-non-profits/other-non-profits/fraternal-beneficiary-societies-and-domestic-fraternal-societies>

6. 501(c)(19) - Veterans' Organizations

Overview: 501(c)(19) organizations are groups organized to benefit veterans and their families.

Steps:

1. **Determine Eligibility:** Ensure your organization meets the requirements, including member eligibility and veterans' benefits.
2. **Form an Entity:** Incorporate under state law.
3. **Obtain an EIN:** Required before filing the tax-exempt application.
4. **Prepare Form 1024:** Complete this form to apply for tax-exempt status.
5. **Submit Form 1024:** Include all required documentation.
URL: <https://www.irs.gov/forms-pubs/about-form-1024>

Useful Links:

- IRS 501(c)(19) Application: <https://www.irs.gov/charities-non-profits/other-non-profits/veterans-organizations>

General Tips for All Applications:

- **Maintain Accurate Records:** Keep detailed records of your organization's activities, financial transactions, and governance.
- **Consult an Attorney or CPA:** Consider professional assistance to ensure compliance with IRS requirements.
- **File Annual Returns:** Once granted, file the appropriate 990 series return annually to maintain tax-exempt status.

For more detailed information on each status type, visit the IRS website here:
[https://www.irs.gov/charities-non-profits/applying-for-tax-exempt-status.](https://www.irs.gov/charities-non-profits/applying-for-tax-exempt-status)