

**Automatic Revocation of Tax-Exempt Status
for Failure to File Annual Return or Notice
Frequently Asked Questions and Answers
April 27, 2010**

1. What is automatic revocation?

Automatic revocation occurs when an exempt organization that is required to file an annual return (e.g., Form 990, 990-EZ, or 990-PF) or submit an annual electronic notice (Form 990-N, or *e-Postcard*) does not do so for three consecutive years. The organization automatically loses its federal tax exemption, by operation of law.

2. What is the effect of my organization's losing its tax-exempt status?

If your organization's tax-exempt status is automatically revoked, it is no longer tax-exempt under federal law, and may be required to file one of the following federal income tax returns and pay any applicable income taxes:

- [Form 1120](#), *U.S. Corporation Income Tax Return*, due by the 15th day of the 3rd month after the end of your organization's tax year, or
- [Form 1041](#), *U.S. Income Tax Return for Estates and Trusts*, due by the 15th day of the 4th month after the end of your organization's tax year.

In addition, a section 501(c)(3) organization that loses its tax-exempt status cannot receive tax-deductible charitable contributions and will not be listed in [Publication 78](#), *Cumulative List of Organizations described in Section 170(c) of the Internal Revenue Code of 1986*.

3. What organizations are subject to automatic revocation?

All exempt organizations required to file an annual return or submit an annual electronic notice are subject to automatic revocation for failure to file for three consecutive years. Exempt organizations not required to file an annual return or notice are not subject to automatic revocation. For a list of organizations (e.g., churches, conventions or associations of churches, and integrated auxiliaries of churches) that are not required to file a return or notice, see [Annual Exempt Organization Return: Who Must File](#).

4. How do I know which annual return or notice my organization is required to file?

First, determine whether your organization is required to file an annual return or notice. See [Annual Exempt Organization Return: Who Must File](#).

If your organization is required to file an annual return or notice, then use our [annual return filing chart](#) to determine what your organization's filing requirement is, which will depend on the type of organization (e.g., public charity or private foundation, etc.) and the level of financial activity (i.e., gross receipts and total assets).

5. On what date is automatic revocation effective?

The exempt status of an organization that does not file a required annual return or notice for three consecutive years is automatically revoked, effective as of the filing due date of the third year.

The filing due date for an annual return or electronic notice is the 15th day of the 5th month after an organization's tax year ends. For more information about how to determine the filing due date for an organization, see [Return Due Dates for Exempt Organizations: Annual Returns](#).

6. **Can I request an extension of time to file my organization's annual return?**

Yes, an exempt organization is entitled to an automatic three-month extension of time to file its annual return, and may request an additional (not automatic) three-month extension. Use [Form 8868](#), *Application for Extension of Time To File an Exempt Organization Return*, to request an automatic three-month extension. The request must be filed by the original due date of the return. To receive the additional three-month extension, the organization must file another Form 8868 and describe in detail the reasons causing the additional delay in filing the return.

Note that [Form 8868](#) cannot be filed to extend the due date of a Form 990-N.

7. **My organization filed for and received an extension to file its annual return. Will the organization's tax exempt status still be revoked?**

No, as long as the organization timely filed [Form 8868](#) by its [filing due date](#) to extend the time for filing a Form 990, 990-EZ, or 990-PF, and then files the required return by the extended due date, the organization's exempt status will not be automatically revoked during the extension period.

Note that [Form 8868](#) cannot be filed to extend the due date for Form 990-N.

8. **How will I know if my organization's tax-exempt status has been automatically revoked?**

A list of revoked organizations will be available to the public, including state charity and tax officials, on the [IRS Web site](#). In addition, if the organization was recognized as exempt under section 501(c)(3) of the Internal Revenue Code, it will be removed from [Publication 78](#), *Cumulative List of Organizations described in Section 170(c) of the Internal Revenue Code of 1986*.

The Internal Revenue Service will send letters to organizations that, according to our records, have not filed a required annual return or notice for three consecutive years, informing them that the organization's exempt status has been automatically revoked for failure to file.

9. **My organization's exempt status has been automatically revoked. What can I do to have its tax-exempt status reinstated?**

Your organization must [apply](#) to have its tax-exempt status reinstated, even if the organization was not originally required to file an application for exemption. It must:

1. Apply for recognition of tax exemption by filing [Form 1023](#) (if applying under section 501(c)(3)), or by [Form 1024](#) or by letter (if applying under a different Code section), regardless of whether the organization was originally required to apply for exemption; and
2. Pay the appropriate [user fee](#).

10. **Can the IRS “undo” my organization’s automatic revocation?**

No. If an organization does not file an annual return or notice for three consecutive years, the organization is automatically revoked by operation of law, and not by a determination made by the IRS. To have its tax-exempt status reinstated, the organization must [file an application](#) for exemption.

11. **My organization, after being automatically revoked, applied for and had its tax-exempt status reinstated by the IRS. What is the effective date of the reinstated tax-exempt status?**

If your organization successfully [applies for reinstatement](#), the effective date of its reinstated tax-exempt status usually will be the date the organization filed its application.

An organization may [request](#) to have its tax-exempt status reinstated as of the effective date it was automatically revoked.

12. **How do I ask that my organization’s tax-exempt status be reinstated effective as of the date its status was automatically revoked?**

If an organization’s exempt status is automatically revoked, it may request, in a letter attached to its application for exemption, to have its date of reinstatement effective retroactive to the [date of revocation](#). Its request will be granted only if the IRS determines that the organization had reasonable cause for not filing an annual return or notice for three consecutive years and approves the organization’s exemption application.

13. **I think my organization’s status was automatically revoked in error. What do I do?**

If you believe your organization is listed on the IRS records as automatically revoked due to an administrative or similar-type error, you may call [Customer Account Services](#).

Group Exemption Questions

14. **If the federal tax-exempt status of a parent or central organization of a group of affiliated organizations is automatically revoked for failure to file *its own annual return* for three consecutive years, what happens to the subordinate organizations covered by the group exemption ruling?**

If the parent or central organization of a group of affiliated organizations is automatically revoked for failure to file *its own annual return* for three consecutive years, the group exemption also is dissolved as of the [automatic revocation date](#). Consequently, all subordinate organizations covered as part of the group ruling will no longer be included in the group exemption or be recognized as tax-exempt by the IRS. This is true even if the parent or central organization has filed a *group return* for the subordinate organizations within the three-year period ending with the automatic revocation, or if the subordinate filed its own annual return or notice within the same three-year period. If the subordinate or its parent filed such a return within that three-year period, however, the subordinate will not be included in the list of revoked organizations on the IRS web site.

15. If a parent or central organization of a group of affiliated organizations has not filed a *group return* for three consecutive years, what happens to the subordinate organizations covered by the group ruling?

If a parent or central organization of a group of affiliated organizations does not file a *group return* for three consecutive years, then any subordinate organizations covered as part of the group ruling and which have not filed their own annual returns or notices for three consecutive years are automatically revoked and will no longer be tax-exempt under federal law.

Each subordinate organization that is automatically revoked may be required to [file income tax returns](#). If it wants to be recognized by the IRS as exempt from income tax, it [must file an application](#) for exemption. The central organization may not add the subordinate back to the group ruling after the subordinate's exempt status has been automatically revoked.

16. My organization is a subordinate in a group exemption ruling. How will I know if the subordinate is still included in the group ruling, or if its tax-exempt status has been automatically revoked?

The central organization that holds a group exemption (rather than the IRS) determines which organizations are included as subordinates under its group exemption ruling. For this reason, IRS records may not show whether an organization is included in the group ruling. The subordinate's tax-exempt status is automatically revoked if the parent [failed to file a group return](#) and the subordinate failed to file its own annual return or notice for three consecutive years.