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## Revocation of Tax Exempt Status

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On June 8, 2011, the IRS released a list of approximately 275,000 organizations (with approximately 11,000 being in Ohio) that have automatically lost their tax-exempt status. Under the Pension Protection Act of 2006, all tax-exempt organizations were required to file a return or notification with the IRS starting in 2007. The Act automatically revokes the tax-exempt status of any organization that does not file a required return or notification for three consecutive years. Since 2010 was the last year in that initial three-year period, many organizations have now lost their exempt status. The list of the organizations that have had their status revoked can be found at [www.irs.gov](http://www.irs.gov).

If your organization has lost its tax-exempt status, it can apply for reinstatement with the IRS. This can be a cumbersome process but crucial for many organizations. Organizations may also request retroactive reinstatement of their status, which could be very important for some. If you are not granted retroactive reinstatement from the IRS, then your exempt status is deemed to start back up when an application for reinstatement has been filed.

It is important for many organizations to have their exempt status recognized by the IRS, especially for 501(c)(3) charitable organizations. If not deemed to be a tax-exempt organization, all income can be subject to federal income tax. And if charitable organizations are not recognized under IRC 501(c)(3), their donors may not deduct contributions to the organization during the period of revocation.

If you have any questions in determining if an organization's exempt status has been revoked or how to have its status reinstated, feel free to contact a GBQ representative.