



Bricker & Eckler LLP

IRS Tax Reinstatement Services for Nonprofit

Services for Nonprofits Whose Tax-Exempt Status Has Been Revoked

Overview:

Under the Pension Protection Act of 2006, the Internal Revenue Service (IRS) has revoked the exempt status of nonprofits (except church and church-related organizations) that were required to file an annual tax return but failed to do so for three consecutive years.

Organizations received written notification by the IRS that their tax-exempt status was in jeopardy; however, many did not understand the significant implications and did not take steps to rectify the situation. As a result, more than 300,000 nonprofit organizations are now listed on the IRS' Automatic Revocation of Exemption List. To check the latest list, click here (www.irs.gov/charities/article/0,,id=240099,00.html).

The list, first published in June, includes over 10,000 Ohio-based nonprofit organizations. Organizations interested in getting their tax-exempt status reinstated must file an application and pay a fee even if it was not required to apply for exempt status initially. In most cases, the effective date of reinstated exemption will be the date that the organization's exemption application was submitted to the IRS. However, some organizations may be eligible to request that reinstatement be retroactive to the effective date of revocation.

Seminar:

A seminar will be held on November 4, 2011 at Bricker & Eckler's main office in downtown Columbus for nonprofits that want to learn more. The half-day seminar costs \$150 per person and includes a continental breakfast. Seminar participants will receive guidance on how to apply for reinstatement and learn how Bricker &

Eckler can assist them in preparing their application.

For more information or to register for this seminar, call Megan Heiser at (614) 227-4941.

Reinstatement of Tax-Exempt Status Services:

The options, requirements and coordination needed to apply for reinstatement are considerable. Bricker & Eckler's Nonprofit Practice Group is offering a Reinstatement of Tax-Exempt Status Services program to provide an affordable solution for organizations that do not have the resources or the expertise to navigate the complex process of reinstating their tax-exempt status.

The reinstatement application service is available on a graduated fee scale based on the organization's annual revenue. Fees are as follows*:

- Revenues less than \$99,999: \$2,000
- \$100,000 - \$249,999: \$3,000
- \$250,000 - \$499,999: \$4,000
- \$1,000,000 and above: \$6,000
- \$500,000 - \$999,999: \$5,000

* An additional \$1,000 fee applies for organizations seeking retroactive reinstatement. Organizations that can show reasonable cause for failing to file annual tax returns may be eligible to request reinstatement that is retroactive to the effective date of revocation. This additional fee does not apply to smaller organizations.