



# MARINE CORPS LEAGUE

National Headquarters

June 30, 2010

From: Meg Thoburn  
National Adjutant/Paymaster

To: Detachment and Department Paymasters

Subject: Automatic Revocation for Not Filing Return

Dear Marines:

This year the IRS begins enforcing the requirement for tax exempt organizations to file a 990.

The IRS requires that a return is filed by the fifteenth day of the fifth month after the close of the fiscal year. Many, but not all, Detachments use June 30 as the end of their fiscal year. If this is your date then your return is due before November 15<sup>th</sup>.

If you have not reached the end of your fiscal year and aren't prepared to file a 990n you can request an extension of your filing date by filing Form 8868 by the original due date. If no extension is requested and you fail to file for a third year in a row there is no grace period from filing by the original due date.

Any tax-exempt organization that has not filed the required form in the last three years automatically will lose its tax exempt status effective as of the due date of the annual filing. Under the law, the IRS does not have discretion in this matter.

If a detachment's tax exempt status is revoked we at National Headquarters will not be notified by the IRS. The IRS will only send a letter to the detachment. If you receive such a letter, you must contact us via email provide us with the necessary information to ensure you are added to the parent organization list again. Please email the information to [jpisani@mcleague.org](mailto:jpisani@mcleague.org)

After the IRS recognizes you as a subordinate again you will have three weeks to file your 990.

You can find additional information on the IRS website at [www.irs.gov/eo](http://www.irs.gov/eo)

IRS regulations require a form 1099 be issued to anyone paid more than \$599 in a calendar year, even if the payee is incorporated or your paid tax preparer. This would include any winners of cash awards of more than \$599.00. Obtaining a form W-9 prior to payment from anyone who has been, will be or you

*"Once a Marine, always a Marine"*

suspect may be paid more than \$599.00 in a calendar year should be a requirement. Often it is hard to obtain the information after the monies have been paid so it is definitely better to require it before cutting the check. Both the W-9 and the 1099 are available on the IRS website.

Below are some Frequently asked questions that the IRS has published:

**What is automatic revocation?**

(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.

**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 website](#). 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.

**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](#) at 877-829-5500 (toll-free number).

**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 subordinate failed to file its own annual return or notice for three consecutive years.