



APPLY FOR TAX-EXEMPT STATUS

(exemption from the payment
of federal corporate income taxes)

- **Not an easy process - IRS estimated 13.5 hours to prepare and 56 hours to assemble all of the required records. (Churches are exempt automatically, but your social services subsidiary is not if income exceeds \$5,000 per year).**
- **Not cheap either, and you don't get your money back if the IRS turns you down. \$850 application fee. (\$400 if you swear under penalty of perjury that your average annual income for the next four years will not exceed \$10,000 a year)**
- **No hurry- you have at least 27 months after incorporation.**
- **If successful, you will receive a ruling letter from the IRS. It is important to keep this letter safe. You will need copies for various reasons.**
- **Lots of help on the world wide web – www.irs.gov and www.form1023help.com.**
- **REMEMBER – you are writing a “sales pitch” to a total stranger who has never been to Tampa Bay. Spell everything out. And do not say “we are going to eliminate poverty and change the world” and then submit a budget of \$30,000. Be realistic about your capacity during the early years. Back up your claims with statistics, demographics, surveys, needs assessments, County government plans (HUD Action Plan).**
- **Follow the Checklist enclosed in the Form 1023 package.**
- **If you receive a list of questions, be sure to answer them within the time limit or you will lose your application fee and have to start all over.**

CHARITABLE PURPOSES

- Relief of the poor and distressed or of the underprivileged,
- Advancement of religion and advancement of education and science,
- Erection or maintenance of public buildings, monuments or works,
- Lessening of the burdens of government, and
- Promotion of social welfare by organizations designed to accomplish any of the above purposes or that are organized to lessen neighborhood tensions;
- To eliminate prejudice and discrimination;
- To defend human civil rights secured by law;
- To combat community deterioration and juvenile delinquency;
- To improve the economic climate in a depressed area;
- To preserve and protect the environment;
- To encourage the building of low cost housing.

EDUCATIONAL PURPOSES

The term "educational" relates to the instruction or training of an individual for the purpose of improving or developing his or her capabilities. It is a broad classification and encompasses more than an educational institution. It includes instruction of the public on subjects useful to the individual and beneficial to the community.

Treasury Regulations list the following as examples of educational organizations:

- Primary or secondary school, college, or professional or trade school, which has a regular scheduled curriculum, a regular faculty and a regularly enrolled body of students in attendance at a place where the educational activities are regularly performed.
- An organization whose activities consist of presenting public discussion groups, forums, panel lectures, or other similar programs. Such programs may be on radio or television.
- An organization which presents a course of instruction by means of correspondence or through the utilization of television or radio.
- Museums, zoos, planetariums, symphony orchestras, and other similar organizations.

Note: "Advancement of education" is also a charitable purpose and includes vocational training for unemployed workers, scholarship programs and low-interest college loans.

The information contained herein should not be construed as legal advice and is provided solely as a public service. While we strive to ensure that the information is accurate and current, we make no claims, promises or guarantees about the accuracy or completeness of the information contained herein. Legal information should not be confused with legal advice. We highly recommend that you consult a qualified lawyer if you want professional assurance that our information, and your interpretation of it, is appropriate to your particular situation.

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