

Automatic Revocation of Exemption for Non-Filing: Frequently Asked Questions

THE BASICS

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. Under the law, the organization's federal tax-exempt status is automatically revoked.

2. 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](#).

3. How does my organization know that it has been automatically revoked?

A list (the Auto-Revocation List) of automatically revoked organizations, updated monthly, is on the [IRS website](#). For each organization, the Auto-Revocation List provides the name, last known address, employer identification number (EIN), subsection of exemption, effective date of revocation, and date the name is published on the Auto-Revocation List.

In addition, the IRS sends a letter to each organization, at its last known address, stating that its exempt status has been automatically revoked because it has not filed a required annual return or notice for three consecutive years.

4. On what date is automatic revocation effective?

The effective date of automatic revocation for an organization that does not file a required annual return or notice for three consecutive years is the filing due date of the third year's return. The due date for a return is the 15th day of the 5th month after the end of the organization's taxable year (May 15th for organizations filing based on a calendar year). However, if the 15th falls on a Saturday, Sunday or legal holiday, the actual due date is the next business day that is not a Saturday, Sunday or legal holiday. Because of system limitations, the effective date of revocation on the Auto-Revocation List is the unadjusted due date, not taking into account Saturday, Sunday or legal holiday dates. Therefore, if the unadjusted due date fell on a Saturday, Sunday or legal holiday, then the actual effective date of revocation is the next business day that is not a Saturday, Sunday or legal holiday. For example, May 15, 2010, fell on a Saturday so the actual due date for returns

was May 17, 2010. Therefore, where the list states the effective date of revocation is May 15, 2010, the actual effective date of revocation is May 17, 2010.

5. My organization never applied for recognition of tax-exempt status, and has not filed a required return or notice for three consecutive years. Is our tax-exempt status automatically revoked even if our name does not appear on the Auto-Revocation List?

Yes. An organization that initially did not have to file an application to be treated as tax-exempt (e.g., a section 501(c)(4) organization or a subordinate included in a group ruling), but that is nevertheless required to file an annual information return (990, 990-EZ) or notice (990-N), automatically loses its federal tax exemption as of the due date of the third non-filed return or notice. This is true even if the organization is not on the Auto-Revocation List.

Consequences of Revocation

1. What is the effect of automatic revocation on an organization?

An organization that has lost its tax-exempt status through automatic revocation 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 an 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 an organization's tax year.

In addition, an organization that loses its tax-exempt status cannot receive tax-deductible contributions and will not be identified in the IRS Business Master File extract as eligible to receive tax-deductible contributions, or be included in [Tax Exempt Organization Search](#).

To have its tax-exempt status reinstated, the organization must file an application for exemption. An organization may also request retroactive reinstatement as part of its application.

2. Will automatic revocation affect an organization's status in the states in which it conducts activities or solicits contributions?

Because the IRS does not enforce and cannot give advice concerning state laws, organizations on the Auto-Revocation List should contact the [appropriate state agencies](#) to determine whether their rights and obligations in any state are affected by automatic revocation. For example, under the laws of some states, organizations on the list of automatically revoked organizations (Auto-Revocation

List) may not be entitled to exemptions from real property, sales or other taxes or they may be required to provide state authorities or the public with information concerning their changed federal tax status.

3. Does my organization have to pay the excise, income or other taxes the IRS assessed before it appeared on the Auto-Revocation List as automatically revoked?

Yes. Your organization is liable for all income, excise or other taxes and penalties that may have been owed at the time it was automatically revoked. Your organization will also be responsible for any future tax liabilities that accrue as a result of your organization's loss of exemption.

4. Will the IRS assess late filing penalties for the three years my organization failed to file its return or notice, or for any other earlier year we didn't file?

The IRS has decided not to impose any late filing penalties against organizations on the list of automatically revoked organizations (Auto Revocation List) for any of the three consecutive years they failed to file, or for any prior periods. Further, an automatically revoked organization does not need to file any Form 990, Form 990-EZ, or Form 990-N that was delinquent at the time of automatic revocation. It must, however, comply with all filing requirements after automatic revocation to avoid incurring penalties in the future.

Certain larger organizations seeking retroactive reinstatement, however, must submit with their applications for reinstatement all delinquent annual information returns beginning with the three-year period for which they were automatically revoked. For more information, see [Revenue Procedure 2014-11](#).

Group Exemption Subordinates

1. My organization is a subordinate in a non-church group ruling, and was automatically revoked for failing to file for three consecutive years. Can my organization get its tax-exempt status reinstated by having the group ruling holder add it back onto their group exemption roster filed with the IRS?

No. Under the Pension Protection Act of 2006, if an organization's tax-exempt status is revoked for failure to file for three years, the only way it can get that status reinstated is to apply for exemption. That rule applies regardless of whether the organization originally was required to apply for exemption.

You Think Your Organization Was Erroneously Listed as Revoked

1. 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. An organization may also request retroactive reinstatement as part of its application.

2. May my organization appeal its automatic revocation?

No, the law provides no appeals process for automatic revocations. To have its tax-exempt status reinstated, the organization must file an application for exemption. An organization may also request retroactive reinstatement as part of its application.

3. If an organization on the Auto-Revocation List has documentation that it met its filing requirement for one or more years during the three year period, what should it do?

An organization possessing documentation (an IRS receipt for a filed return, for example) that shows it has not failed to file for three consecutive years should contact [Customer Account Services](#) at 1-877-829-5500, or send the documentation directly to the Exempt Organizations Account Unit.

By Mail:
Internal Revenue Service
1973 North Rulon White Blvd.
M/S 6552
Ogden, UT 84404

By Fax:

(855) 247-6123

If the organization submits documentation that it met its Form 990-series filing requirement for one or more of the years during the three-year period, the IRS will remove your name from the Auto-Revocation List.

Note: The fax number above is dedicated for use to resolve the erroneous revocation issue described. Do not submit correspondence on other topics to this fax number

4. If an organization on the Auto-Revocation List has been legally formed for less than three years, what should it do?

The filing requirements for a tax-exempt organization generally start with the tax year in which it was legally formed. When an organization applies for an EIN, the IRS considers it legally formed and a filing requirement is established. If the organization doesn't satisfy that filing requirement for three consecutive years after the formation date, its exemption will be automatically revoked. If an organization on the Auto-Revocation List was not legally formed in the same tax year it requested its EIN, or if the organization believes it was erroneously revoked because the IRS used the EIN application date for purposes of automatic revocation, it should send a statement indicating its legal formation date directly to the Exempt Organizations Entity Unit.

By Mail:

Internal Revenue Service
1973 North Rulon White Blvd.
M/S 6273
Ogden, UT 84404

By Fax:

(855) 214-7520

The statement of legal formation date must be signed over the following statement: "Under penalties of perjury, to the best of my knowledge, the information in this form is correct and complete." If the organization submits the signed statement that it did not legally form until after one or more of the years during the three-year period, the IRS will remove your name from the Auto-Revocation List.

Regaining Your Exempt Status - Applying for Reinstatement

1. How do I get my organization's tax-exempt status reinstated if it was automatically revoked?

An organization must apply to have its tax-exempt status reinstated, even if it was not originally required to file an application for exemption. It must:

- 1) Apply for recognition of tax exemption by filing Form 1024-A, regardless of whether the organization was originally required to apply for exemption; and
- 2) Pay the appropriate user fee.

An organization may also request retroactive reinstatement as part of its application.

For more information, see [Automatic Revocation – How to have your tax-exempt status reinstated](#).

2. Do I need to get a new employer identification number (EIN) for my organization to apply for reinstatement of tax-exempt status?

No. You must apply using the EIN assigned previously to your organization. See [Publication 1635](#) PDF, *Understanding Your EIN*, for more information on when you are required to get a new EIN.

3. Will the IRS expedite my organization's application for reinstatement of tax-exempt status?

The IRS will not expedite the review of applications of automatically revoked organizations requesting reinstatement of tax-exempt status. Any organization, whether new or automatically revoked, may request expedited processing of their application if it meets the existing criteria for such treatment.

4. My organization has applied for reinstatement of its tax-exempt status. Am I required to start filing annual returns?

An organization that is eligible to submit an annual electronic notice (Form 990-N) because its annual receipts are normally \$50,000 or less is not required to submit Form 990-N until after its application for reinstatement of tax-exempt status has been approved.

An organization seeking reinstatement of its tax-exempt status that has a filing requirement and is not eligible to file a Form 990-N must file an annual information return (Form 990, Form 990-EZ or Form 990-PF) for each taxable year that ends while the application for reinstatement is pending. The organization should check the "application pending" block on the top of page 1 of the return. For more information about filing requirements while an application for exemption is pending, see [Publication 557](#), *Tax-Exempt Status for Your Organization*.

Organizations not eligible to file Form 990-N who are seeking retroactive reinstatement must submit with their applications for reinstatement all delinquent annual information returns beginning with the first year of the three-year period for which they were automatically revoked. For more information and a list of other requirements, see [Revenue Procedure 2014-11](#).

5. If my organization's tax-exempt status is reinstated, what is the effective date?

If an 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 back to the date of automatic revocation.

6. How do I request that my organization’s tax-exempt status be reinstated back to the date of automatic revocation?

To request retroactive reinstatement back to the date of automatic revocation, see Part VI on Form 1024-A.

7. What is “reasonable cause” for failure to file an annual return or notice?

See [Revenue Procedure 2014-11](#) for an explanation of “reasonable cause” and information on how to request reinstatement of exemption back to the effective date of automatic revocation.

8. Will my organization remain on the Auto-Revocation List if our tax-exempt status is reinstated?

Yes. The Auto-Revocation List is an IRS official record of organizations whose tax-exempt status has been automatically revoked for failing to file a required return or notice for three consecutive years. For organizations that applied for and received reinstatement, the list gives the date of reinstatement.

9. How do I confirm an organization’s tax-exempt status has been reinstated, if organizations that have had their tax-exempt status revoked remain on the Auto-Revocation List?

An organization whose tax-exempt status has been automatically revoked for failing to file a required return or notice for three consecutive years will remain on the Auto-Revocation List (List). The List is a historical record of organizations whose tax-exempt status has been revoked for non-filing.

There are three ways to determine if an organization’s tax-exempt status has been reinstated:

1. The organization’s determination letter from the IRS granting reinstatement of tax-exempt status will show an effective exemption date that is the same as or later than the effective revocation date as shown on the List;
2. The organization is listed on the [SOI Tax Stats - Exempt Organizations: IRS Master File Data](#) state-by-state listing, with a **Ruling Date** that is after the effective revocation date as shown on the List; or
3. You may call our Customer Account Services line (toll-free) at (877) 829-5500.

10. My organization's tax-exempt status was automatically revoked, and I paid income taxes or received a delinquency or penalty notice for the period that my organization was no longer exempt. Now that the IRS has reinstated my organization's tax-exempt status, how do I request an abatement of the penalties or refund of tax paid with respect to an income tax return?

The organization should send a letter requesting a removal of the tax and/or abatement of the penalty, explaining that it was not liable because the organization's tax-exempt status was reinstated for part or all of the period covered by the income tax return or delinquency or penalty notice. The organization should include with the letter a copy of its new determination letter reinstating its tax exemption. If the organization already filed the taxable return and paid the tax or penalty, it should file an amended income tax return and request a refund.

The organization should send the letter to the IRS address where the organization filed, or should have filed, its original income tax return. The address will be indicated on the notice the organization received regarding the tax or penalty.

Include the organization's contact information in case the IRS has any questions.