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IRS to Roll Out New Section 501(c)(4) Notice System on July 1?

A while back, we blogged about a new **notification requirement for organizations claiming exemption under Section 501(c)(4)** imposed by Congress's adoption last December of the PATH Act of 2015. The Path Act created a new section of the Internal Revenue Code, Section 506, which requires new and certain existing (see below) Section 501(c)(4) organizations to notify the IRS of their existence and claimed exempt status within 60 days of the date of formation. However, the new statute did not establish any procedures for that notification to occur. The IRS **subsequently extended** all of the relevant deadlines pending issuance of further guidance about the notification procedure.

You'll be . . . pleased? . . . to know that the wait may soon be over. A well-placed source tells us that the IRS has publicly indicated, through an IRS representative's comment at a recent meeting, its intention to roll out the new notice system on July 1.

According to what we have heard, the notification system will be online only. The IRS has previously indicated that the system will include instructions for organizations for whom the statutory deadline for notification has already passed.

Newly formed Section 501(c)(4) organizations, as well as those that **have not yet either** a) voluntarily applied for recognition of exemption **or** b) filed a Form 990 claiming exemption under Section 501(c)(4) will need to notify the IRS under the new system, so if your organization falls into one of those categories, keep an eye out for more information on July 1.

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ABOUT OUR BLOG

Nonprofit Law Matters looks at legal issues in the nonprofit and tax-exempt organizations world. Written by the attorneys and paralegals of Adler & Colvin, it provides updates and analysis regarding philanthropy, charity, and other exempt organization issues.

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