

CLIENT ALERT: MAY 14, 2010

**IRS WILL REVOKE TAX EXEMPT STATUS
FOR FAILURE TO FILE ANNUAL RETURNS FOR THREE YEARS**

On May 17, 2010, the Internal Revenue Service will begin revoking tax-exempt status of nonprofits that have failed to file three consecutive annual returns (IRS Form 990-N, 990-EZ, 990, or 990-PF). Revocation is automatic.

A tax exempt organization with a fiscal year end of December, which has not filed for two consecutive years, must file an annual return that is postmarked or electronically filed by **MONDAY, MAY 17, 2010**. Tax exempt organizations with alternate fiscal years may have longer to file.

Tax exempt organizations whose annual gross receipts are normally \$25,000 or less are permitted to file a Form 990-N (known as an “e-postcard”) electronically, instead of the Form 990 or 990-EZ.

The e-postcard can be filed electronically, using the following link: <http://epostcard.form990.org>. This e-filing is an easy and quick way to avoid loss of tax exempt status. For additional information about the e-postcard, see <http://www.irs.gov/charities/article/0,,id=169250,00.html>.

If you have any questions, please contact Elka Sachs at 617-482-7211 or esachs@kb-law.com.