

"I am not the only IRS employee who's wondered why churches go to the government and seek permission to be exempted from a tax they didn't owe to begin with, and to seek a tax deductible status that they've always had anyway." A quote of Steve Nestor, IRS Senior Officer, found in the book In Caesars' s grip by Peter Kershaw

Several people have asked about the 1023 information, specifically where it says it is not required for churches to file.

It can be tricky finding it.

If you don't put the right combination in your google search engine it wont show up. They have changed the wording in the instructions.

I have posted a new page updating links and explanations.

Application for Recognition of Exemption

Under Section 501(c)(3) of the Internal Revenue Code.

Content: Form 1023 and Instructions Form 872-C

Package 1023 (Rev. September 1998)

<http://www.hisholychurch.org/documents/1023Sept1998.pdf>

Instructions for Form 1023 Internal Revenue Service (Rev. June 2006)

<http://www.hisholychurch.org/documents/i1023.pdf>

Application for Recognition of Exemption

Under Section 501(c)(3) of the Internal Revenue Code (Rev. June 2006)

<http://www.hisholychurch.org/documents/f1023June2006.pdf>

<http://www.hisholychurch.org/documents/index.html>

See near the Bottom "**Documents of the World**"

Instructions for form 1023

(Revised June 2006)

"Form 1023 not necessary. The following types of organizations may be considered tax exempt under section 501(c)(3) even if they do not file Form 1023.

- Churches, including synagogues, temples, and mosques.
- Integrated auxiliaries of churches and conventions or associations of churches.
- Any organization that has gross receipts in each taxable year of normally not more than \$5,000." see page 1

"Schedule E. Organizations

Not Filing Form 1023

Within 27 Months of legal formation."

A common error made by Churches is that they allow themselves to be classified as something they are not.

See page 15 Instructions for form 1023 "...If you

select this public charity status, you must

request either an advance ruling or a

definitive ruling by completing Part X, line

6. See Publication 557 for additional

information about these tests." Public Charities are "described in sections 509(a)(1), (2), or (3)."see page 21 and also page 35

A Church is also not a "foundations" unless it chooses to be classified as such.

Instructions for form 1023

(Revised September 1998)

2. Organizations not required to file Form 1023.—The following types of organizations may be considered tax-exempt under section 501(c)(3) even if they do not file Form 1023:

1. Churches,

2. Integrated auxiliaries of churches, and conventions or associations of churches, or

3. Any organization that:

(a) Is not a private foundation (as defined in section 509(a)), and

(b) Has gross receipts in each taxable year of normally not more than \$5,000.

Even if the above organizations are not required to file Form 1023

to be tax-exempt, these organizations may choose to file Form 1023

in order to receive a determination letter that recognizes their section

501(c)(3) status. [see page 2 Instructions for form 1023, (Revised September 1998)]

"... a church, its integrated auxiliaries, or a convention or association of churches is not required

to file Form 1023 to be exempt from Federal income

tax or to receive tax-deductible contributions..." [see page 23 Instructions for form 1023, (Revised September 1998)]

Package 1023 (Rev. September 1998)

<http://www.hisholychurch.org/documents/1023Sept1998.pdf>