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## **MEMORANDUM**

**TO: Carolina Munoz**  
**National Fiscal Officer**

**FROM: Gilbert Pineda**

**SUBJECT: Subordinate Organizations Required Filing**

This year, for the first time, organizations that have failed to file an annual 990 series return or notice for three consecutive years will automatically lose their tax-exempt status. This requirement includes group ruling holders and their subordinate organizations. Previously, the *National Fiscal Office* filed the required Form 990 under the group ruling granted by the United States Treasury. The filing by the *National Fiscal Office*, in the past, included the required filing for the subordinates (LULAC Councils). Beginning in May 2010, however, tax-exempt organizations must file a Form 990, 990EZ, or 990N (ePostcard) in addition to the filing by the central organization with affiliated subordinates. The returns are due by the 15<sup>th</sup> day of the fifth month after the close of an organization's tax year. This requirement applies solely to the 501(c)(4) exemption of LULAC National Office and its subordinates (LULAC Councils).

LULAC Councils and LULAC Districts that have applied and received a separate 501(c)(3) exemption through the establishment, of a separate organization distinct from the 501(c)(4) exemption awarded by virtue of being a affiliated subordinate, are also included in this filing requirement. Failure to file

**the required annual information form for three consecutive years *automatically* revokes the organization's tax-exempt status which will result in the organization being subjected to income tax, as well as no longer able to receive or solicit tax-deductible charitable contributions.**

**Information on the above can be obtained in *Publication 557, Tax-Exempt Status for Your Organization* or at [www.irs.gov/eo](http://www.irs.gov/eo). LULAC Councils, as well as other organizations are encouraged to subscribe to *EO Update, Exempt Organizations'* free e-mail newsletter.**