



LEAGUE OF UNITED LATIN AMERICAN CITIZENS

TAX COMPLIANCE CHECKLIST

For all new and re-chartering LULAC Councils that wish to be covered by LULAC's group exemption under §501(c)4, this checklist must be completed in full and returned to Lupe Morales, Director of Membership Services, at 221 N. Kansas, Suite 501, El Paso, Texas 79901.

Group Exemption

I Understand

- The Council will obtain an EIN (see www.lulac.org/ein)
- The Council will report any changes in the purpose, character, or method of operation of the Council to LULAC
- The Council will report a termination or dissolution of the organization to LULAC

Tax Filings:

- The Council will have an annual tax filing requirement with the IRS.
- If gross receipts normally* less than or equal to \$50,000, file a Form 990-N
- If gross receipts greater than \$50,000 but less than \$200,000 and total assets less than \$500,000, file a Form 990-EZ
- If gross receipts greater than or equal to \$200,000 or total assets greater than or equal to \$500,000, file a Form 990

**Please note this amount is calculated by taking gross proceeds from the last three years including the current year, and taking an average of that amount. Gross proceeds include revenue from all sources including sales of investments.*

Your council will be classified as a §501(c) 4 organization. As such:

- The Council should be operated exclusively for the promotion of social welfare, the net earnings of which be devoted to exclusively furthering the exempt mission of the organization
- The net earnings of the Council should not inure to the benefit of any private member or individual
- Donations are not tax deductible for the donor as a charitable contribution
- The Council will be exempt from federal income tax, but may still need to register with the state
- Lobbying may be conducted, although registration requirements may apply (Lobby Disclosure Act)
- LULAC Councils are forbidden from participating in political activities

Please sign to affirm that you understand the above information, and agree to operate the Council in full compliance and applicable rules and regulations.

Council President

Date