

Chapter 7 - Tax Filing Information

Form 990 – Return of Organization Exempt from Income Tax

INSTRUCTIONS for clubs who have signed AUTHORIZATIONS to be included in the GROUP EXEMPTION for TAX EXEMPT STATUS under the Association.

MCASD has received a determination letter from the Internal Revenue Service granting the requesting clubs tax exempt status under section 501(c)(4). If you are a club receiving tax exempt status under MCASD follow the instructions that apply to your situation.

If your annual receipts are \$25,000 or less, file no return.

If you receive a return in the mail, fill in the top section of page 1 only (check box indicating gross receipts are normally not more than (\$25,000), sign, and return it to:

Internal Revenue Service Kansas City, MO 64999

If your receipts are **over** \$25,000, a Form 990 should be filed. The return is due by the 15th day of the fifth month following your financial (fiscal) year end. If your club falls into this category, contact MCASD for detailed instructions. If you need to file, be sure the return is filed by the due date. **A late fee of \$10 per day can be assessed!**

IRS ePostcard Filing

Tax-exempt organizations with annual revenues of less than \$25,000 are not required to file annual tax returns. However, the IRS is now requiring these organizations to file an annual declaration that their revenue for the past year is still below the \$25,000 limit. This requirement affects each of the member clubs of MCASD, as well as the association itself.

This filing must be made electronically – there is no paper form to be sent in. The web site used for the filing is <http://epostcard.form990.org>, which is operated by the Urban Institute on behalf of the IRS.

According to the IRS rules, the filing is due by the 15th day of the 5th month after the close of the organization's tax year, and may not be made before the close of that year. So an organization whose tax year ends December 31st should file between January 1st and May 15th. Note that no late filing or delinquency penalties are associated with filing the ePostcard: there are no consequences to missing the deadline, as long as you file before the close of the next year. If the filing is missed for three consecutive years, the IRS may choose to reevaluate the organization's tax-exempt status.

In order to file, one must provide the organization's EIN (Employer Identification Number, also known as a Taxpayer Identification Number), as well as other information like the name and address of the person filing.

If the IRS has the incorrect fiscal year end-date for your club, you may request that the IRS change their records by sending a letter to this address:

Internal Revenue Service
Attn: EO Entity
MS 6273
Ogden, UT 84201

The letter should include your club's EIN and the correct closing date for your tax year. It takes approximately ten weeks for the IRS to make this change. It should be noted that since the tax year wasn't of consequence for most of our member clubs (since no tax returns have been required), it's not unusual for the IRS's records to be incorrect.

If a club wishes, they may file their declaration as of the IRS' current expectation, then correct the tax year before next year's filing. Declarations are accepted only for fiscal years ending December 31, 2007 or later. If the IRS believes your fiscal period ends in June, for example, then you may not file a declaration for your 2007 tax year (the one that ended, according to their records, on June 30, 2007). In this example, the club must wait until July 1, 2008 to file their first declaration.

Form 1099 MISC – Information Return

If payments are made by your club to an individual (caller or round dance leader) of \$600 or more during a calendar year for services rendered, the law requires the filing of a Form 1099 which reports the amount paid to the Internal Revenue Service and to the recipient of the payments. This reporting is due to the recipient by January 31 and to the Internal Revenue Service by February 28. A penalty of \$50 per failure to file is prescribed by law.

See the enclosed examples of Form 1099-MISC and Form 1096. A form 1096 is used to transmit copies of Form 1099 to the Internal Revenue Service.

Annual Report to State of Illinois – Incorporated Clubs

If your club is incorporated, a report is required annually. The due dates for this annual report vary. **Please note: this is only for clubs that are incorporated.**

Sample Forms

The sample IRS forms on the next page are for your information only. To obtain official copies of the forms for filing purposes, you may call 1-800-TAX-FORM (800-829-3676), or go to <http://www.irs.gov> on the Internet.

9595 VOID CORRECTED

PAYER'S name, street address, city, state, ZIP code, and telephone no.		1 Rents	OMB No. 1545-0115 2002 Form 1099-MISC		Miscellaneous Income
		\$			
		2 Royalties			
PAYER'S Federal identification number		RECIPIENT'S identification number		3 Other income	4 Federal income tax withheld
		\$	\$		
RECIPIENT'S name		5 Fishing boat proceeds	6 Medical and health care payments		Copy A For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2002 General Instructions for Forms 1099, 1098, 5498, and W-2G.
Street address (including apt. no.)		\$	\$		
City, state, and ZIP code		7 Nonemployee compensation	8 Substitute payments in lieu of dividends or interest		
Account number (optional)		\$	\$		
2nd TIN not		9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale <input type="checkbox"/>	10 Crop insurance proceeds		
<input type="checkbox"/>		\$	\$		
15		11	12		For Privacy Act and Paperwork Reduction Act Notice, see the 2002 General Instructions for Forms 1099, 1098, 5498, and W-2G.
		13 Excess golden parachute payments	14 Gross proceeds paid to an attorney		
		\$	\$		
		16 State tax withheld	17 State/Payer's state no.		18 State income
		\$	\$		\$
		\$	\$		\$

Form **1099-MISC** Cat. No. 14425J Department of the Treasury - Internal Revenue Service

Do Not Staple 6969

Form 1096 Department of the Treasury Internal Revenue Service	Annual Summary and Transmittal of U.S. Information Returns	OMB No. 1545-0108 2002
FILER'S name		
Street address (including room or suite number)		
City, state, and ZIP code		
Name of person to contact		Telephone number ()
Fax number ()		E-mail address
		For Official Use Only
		<input type="checkbox"/>
1 Employer identification number	2 Social security number	3 Total number of forms
		4 Federal income tax withheld \$
		5 Total amount reported with this Form 1096 \$
Enter an "X" in only one box below to indicate the type of form being filed.		If this is your final return, enter an "X" here <input type="checkbox"/>
W-2G 32	1098 81	1098-E 84
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1098-T 83	1099-A 80	1099-B 79
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1099-C 85	1099-DIV 91	1099-G 86
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1099-INT 92	1099-LTC 93	1099-MISC 95
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1099-MSA 94	1099-OTD 96	
<input type="checkbox"/>	<input type="checkbox"/>	
1099-PATR 97	1099-Q 31	1099-R 98
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1099-S 75	5498 28	5498-MSA 27
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>