

CLIENT ALERT

**SUPPORTING ORGANIZATIONS OF GOVERNMENTAL ENTITIES
NO LONGER EXEMPT FROM FILING FORM 990**

Until recently, supporting organizations of governmental entities, including housing authorities, state universities, and charter schools, could request an exemption from the Internal Revenue Service (the “Service”) from the obligation to file Form 990 or Form 990-EZ. The Pension Protection Act of 2006 eliminated this exemption, and the Service has begun sending notices to such supporting organizations, advising them that they must file Form 990. Since supporting organizations may not file the e-postcard (Form 990-N), these organizations need to file Form 990 or Form 990-EZ. The filing thresholds for the Form 990 and Form 990-EZ for 2010 and subsequent years are as follows:

2010 Tax Year and Subsequent Years (To be filed in 2011 and subsequent years)	Form to File
Gross receipts >\$50,000 and < \$200,000, and Total assets < \$500,000	990-EZ
Gross receipts ≥ \$200,000, or Total assets ≥ \$500,000	990

Please contact Elka Sachs (esachs@kb-law.com) or Sheryl Howard (showard@kb-law.com) with any questions.

Links:

- For a copy of §6033 of the Code, see:
[http://frwebgate.access.gpo.gov/cgi-bin/usc.cgi?ACTION=RETRIEVE&FILE=\\$\\$xa\\$\\$busc26.wais&start=20631856&SIZE=39296&TYPE=PDF](http://frwebgate.access.gpo.gov/cgi-bin/usc.cgi?ACTION=RETRIEVE&FILE=$$xa$$busc26.wais&start=20631856&SIZE=39296&TYPE=PDF)
- For a copy of the Pension Protection Act of 2006, see:
http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=109_cong_public_laws&docid=f:publ280.pdf