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# How to Start a Nonprofit | Step 4: Filing for Federal Tax-Exempt Status

As noted in prior steps, the National Council of Nonprofits does not provide legal assistance for organizations seeking assistance with their application for tax-exemption. We recommend you review [IRS StayExempt Tutorials](#) that offer background on what it takes to become a 501(c)(3) public charity that is recognized by the IRS as tax-exempt. See also IRS [Publication 557](#).

## 1) Get an Employer Identification Number (EIN)

In order to file for tax exemption with the IRS your nonprofit will need an “EIN” which requires completing and submitting [Form SS-4](#) (needed for IRS application as well as banking, and hiring staff etc.)

## 2) Does the organization have an appropriate legal form?

For the Internal Revenue Service (the IRS) to recognize an organization's exemption, the organization must be organized as a [trust](#), a [corporation](#), or an [association](#). (It is possible for unincorporated associations to gain recognition as a tax-exempt

organization, but not having a corporate form could expose all those volunteering for the organization to legal liability, so we highly recommend seeking legal advice before going this route.)

### **(3) IRS Form 1023: which IRS application should your nonprofit file?**

Your nonprofit may be eligible to file [Form 1023-EZ](#), a streamlined version of the application for recognition of tax exemption. You must complete the Form 1023-EZ Eligibility Worksheet in the [Instructions for Form 1023-EZ](#) to determine if you are eligible to file this form. If you are not eligible to file Form 1023-EZ, your nonprofit should file [Form 1023](#).

### **Links to federal forms**

- [Form SS-4](#): Federal Employer Identification Number ("EIN") (needed for IRS, banking, hiring staff etc.)
- [Regular Application for Tax-Exemption \(User fee is \\$600\): IRS Form 1023](#)
- [Instructions for Form 1023](#)
- [Frequently Asked Questions: Form 1023](#)
- [Overview of the Form 1023 e-Filing process](#)
- [Instructions for Form 1023 \(Print Version\)](#)
- [Form 1023-EZ](#) - May only be used by small organizations with gross receipts of \$50,000 or less and assets of \$250,000 or less (exceptions include churches, schools, and organizations with mailing addresses outside the U.S.). The fee to file the Form 1023-EZ is \$275 (as of 10/1/22).
- [Eligibility Worksheet / Instructions for Form 1023-EZ](#)
- Recommended reading for any groups considering utilizing Form 1023-EZ - [IRS Form 1023-EZ - Traps for the Unwary](#) (Charity Lawyer)
- Power of Attorney: IRS [Form 2848](#)
- IRS [Form 5768](#): Also known as the "501(h) Election to Make Expenditures to Influence Legislation"
  - [What is the \(h\) Election?](#)
  - [Benefits of the \(h\) Election](#)
  - [Why it's important for your nonprofit to engage in advocacy](#)

Please note: The IRS requires the individual who files the application for tax exemption (if he or she is not an attorney or CPA) to register with the IRS.

The process of receiving a determination letter from the IRS may take anywhere from a few weeks to several months and may require submission of additional information to the IRS for them to rule on your application. It is important to keep all the correspondence you may have with the IRS in connection with the application since the correspondence is considered part of the application that you may have to produce in the future.

Once you have received your determination letter from the IRS, Congratulations! It's time to move on to [Step 5 | Ongoing Reporting and Compliance](#).

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