



STATE OF CALIFORNIA  
**Franchise Tax Board**



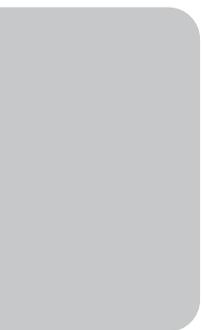
# Introduction to Tax-Exempt Status

Some organizations that may apply for exemption status

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Business Leagues	Homeowners' Associations
Cemeteries	Labor Unions
Chambers of Commerce	Literary Organizations
Charitable Organizations	Recreational Organizations
Churches	Religious Organizations
Civic Leagues	Schools
Credit Unions	Scientific Organizations
Educational Organizations	Social Clubs
Employee Associations	Veterans' Organizations
Fraternal Societies	Voluntary Employee Beneficiary Associations

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## Introduction

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People commonly refer to tax-exempt organizations as nonprofit organizations. Although tax-exempt organizations are generally nonprofit, some are for-profit.

This publication explains:

- How to get tax-exempt status.
- Who qualifies for tax-exempt status.
- Filing requirements.
- Other information tax-exempt organizations need to know.

### Nonprofit vs. Tax-Exempt Status

Nonprofit and tax-exempt are not the same. When an organization incorporates with the Secretary of State's (SOS) office, the articles of incorporation specify domestic or nonprofit:

- Domestic stock allows individuals to keep the proceeds from the organization's business activities for personal use.
- Nonprofit organizations are not allowed to keep the proceeds; they must use the proceeds for nonprofit purposes.

Nonprofit corporations generally incorporate through SOS under one of the following parts of the California Nonprofit Corporation law:

- » Nonprofit Public Benefit Corporations.
- » Nonprofit Mutual Benefit Corporations.
- » Nonprofit Religious Corporations.

An unincorporated association may be a nonprofit if its creating document contains specific language. A creating document may be one of the following document types:

- » Articles of association.
- » Bylaws.
- » Constitution.
- » Trust instrument.
- » Other documents that describe forth how the association will operate.

We consider a tax-exempt organization as a corporation, unincorporated association, or a trust that submits to us one of the following:

- Form 3500, *Exemption Application*, and received our determination letter that states it is exempt from California franchise or income tax (California Revenue and Taxation Code (R&TC) Section 23701).
- Form 3500A, *Submission of Exemption Request*, a copy of the federal determination letter issued by the Internal Revenue Service (IRS) that approves the organization's tax-exempt status under Internal Revenue Code (IRC) Section 501(c)(3), (c)(4), (c)(5), (c)(6), (c)(7), or (c)(19), and received our acknowledgement letter that states it is exempt from California franchise or income tax (R&TC Section 23701).

A nonprofit organization does not have shareholders or owners, except as provided in R&TC Sections 23701h and 23701x. We characterize a nonprofit organization according to how it was created.

Tax-exempt means the organization is not required to pay California franchise or income taxes on the money the organization receives related to its exempt activities.

### Incorporation as a Nonprofit Corporation

Incorporating under the California Nonprofit Corporation law does not mean the organization is tax-exempt from California corporation taxes, regardless of the language in the Articles of Incorporation or the organization's status for federal purposes.

A nonprofit corporation that does not have an exempt determination or acknowledgement letter from us is subject to the same franchise or income tax laws as any for-profit corporation. It must file Form 100, *California Corporation Franchise or Income Tax Return*, with us and pay at least the minimum franchise tax each year until it formally dissolves through SOS.

## Unincorporated Associations

If an unincorporated association does not apply for tax-exempt status, it files Form 100, *California Corporation Franchise or Income Tax Return*, with us and computes its tax using the general corporation tax rate. It does not pay the minimum franchise tax.

## Confidentiality

We may not disclose to the public the business and financial matters of a tax-exempt organization while we consider the exemption application; however, once we grant or acknowledge tax-exempt status, we may disclose information included with Form 3500 or Form 3500A. If we deny exemption, then that information remains confidential. If an organization's tax-exempt status is revoked, the organization's name and revocation date is available to the public.

## Federal and State Disclosure Law

Federal law regarding disclosure of information about tax-exempt organizations is different from California law. Federal law requires IRS to disclose certain business details and financial information.

California law does not allow us to disclose financial information included in tax and information returns filed.

## Tax-Exempt Status and Federal Exemption

Although most California laws deal with tax exemption patterned after IRC, obtaining state tax-exempt status is a separate process from obtaining federal exemption. To obtain state tax-exempt status, submit to us one of the following:

- Form 3500, *Exemption Application*.
- Form 3500A, *Submission of Exemption Request*, if you obtained federal exemption under IRC Section 501(c)(3), (c)(4), (c)(5), (c)(6), (c)(7), or (c)(19).

If you do not obtain state tax-exempt status for your organization, it remains subject to the California R&TC as a taxable organization.

All nontax-exempt corporations incorporated or qualified in California are required to pay at least the \$800 minimum franchise tax whether they are active, inactive, operate at a loss, or file a short-period tax return (less than 12 months).

The following types of nonprofit entities are required to obtain a federal determination letter prior to receiving California tax-exempt status with Franchise Tax Board (FTB):

- Foreign nonprofits (organized in states other than California)
- Qualified charitable trusts under R&TC Section 23701d (IRC Section 501(c)(3)).
- Nonprofit cooperatives under R&TC Section 23701a (IRC Section 501(c)(5)).
- Voluntary Employee Benefit Associations under R&TC Section 23701i (IRC Section 501(c)(9)).
- Organizations using the Form 3500A.

Prior to receiving California tax-exempt status, FTB may require nonprofit organizations to obtain a federal determination letter based on facts and circumstances on a case-by-case basis.

## State and Federal Differences

California law differs from federal law regarding exempt organizations. We explain the major differences in the table below.

Exempt Organizations	California Law	Federal Law
Nonprofit entities	Entities must apply for and receive an exempt determination or acknowledgement letter from us.	Entities with less than \$5,000 in gross receipts do not apply for exemption.
Churches	As defined in R&TC Section 23701d, churches must apply for and receive an exempt determination or acknowledgement letter from us.	Churches are not required to apply for exemption.
Title holders – limited liability companies including single and multiple members	As defined in R&TC Section 23701h and 23701x, they must apply for and receive a determination letter from us.	They may be classified as a disregarded entity, multiple member, or association.  Disregarded entities are not required to apply for a separate exemption from its single member.
Sections other than title holders – limited liability companies including single and multiple members	As defined in R&TC Section 23701, they must apply for and receive a determination letter from us. Also, they must: <ul style="list-style-type: none"> <li>• File Federal Form 8832, <i>Entity Classification Election</i>.</li> <li>• Be classified as an association.</li> <li>• Be taxed as a corporation.</li> <li>• Be organized and operated to meet specific requirements for the R&amp;TC Section 23701 to apply.</li> </ul>	They may be classified as a disregarded entity.  They are not required to apply for a separate exemption from its single member.
Homeowners' associations, mutual water companies (must meet the requirements of R&TC Section 23701t)	As defined in R&TC Section 23701t, they must apply for and receive a determination letter from us. For detailed information, get FTB Pub. 1028, <i>Guidelines for Homeowners' Associations</i> . Go to <a href="http://ftb.ca.gov/Forms">ftb.ca.gov/Forms</a> and search for <b>1028</b> .	There is no comparable federal section under IRC Section 501(a). Homeowners' associations may make an annual election for exemption by filing a U.S. Income Tax Return for Homeowners Associations (IRS Form 1120 H).  California law patterned after federal IRC Section 528.

## State and Federal Differences (Continued)

Exempt Organizations	California Law	Federal Law
Mutual ditch or irrigation companies	California does not have a comparable section under R&TC Section 23701. R&TC Section 24405 may apply for exclusion of membership income.	They may be exempt under IRC Section 501(c)(12).
Mobile home park acquisition	As defined in R&TC Section 23701v, they must apply for and receive a determination letter from us.	There is no comparable federal section under IRC Section 501(a).
Public facility financial entities (certificate of participation)	As defined in R&TC Section 23701u, they must apply for and receive a determination letter from us.	There is no comparable federal section under IRC Section 501(a).  However, they may be granted exemption status under IRC Section 501(c)(4).
Political organizations	They are not required to file an exemption application for tax-exempt status.  Corporations submit a written request for exemption status under R&TC Section 23701r.	There is no comparable federal section under IRC Section 501(a).  California law patterned after federal IRC Section 527.
Civic leagues, social welfare organizations, and local associations of employees	As defined in R&TC Section 23701f, they must apply for and receive a determination letter from us. California has organizational requirements:  Dedication, dissolution clauses in the organization's articles of incorporation or creating documents (for unincorporated associations) by California Regulations 23701f.	They are in modified conformity with IRC Section 501(c)(4).  They have no organizational requirement.

Contact IRS for information regarding federal tax exemption. The following federal forms may be helpful:

- Pub 557, *Tax-Exempt Status for Your Organization*.
- Form 1023, *Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code*.
- Form 1024, *Application for Recognition of Exemption Under Section 501(a)*.

# Apply for Tax-Exempt Status

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## Get Tax-Exempt Status

To receive tax-exempt status in California, the organization files one of the following with FTB:

- Form 3500, *Exemption Application*, and received our determination letter that states it is tax-exempt from California franchise or income (R&TC Section 23701).
- Form 3500A, *Submission of Exemption Request*, a copy of the federal determination letter issued by the IRS approving the organizations tax-exempt status under IRC Section 501(c)(3), (c)(4), (c)(5), (c)(6), (c)(7), or (c)(19), and received our acknowledgement letter that states it is tax-exempt from California franchise or income tax (R&TC Section 23701).

## Form 3500, *Exemption Application*

Information requested **on** Sides 1 through 8 (**must be completed by all organizations**):

- Organization start date
- APE (accounting period ending)
- Purpose
- Activities (general and specific)
- Financial data (gross receipts/expense statement and balance sheet)
- Compensation of officers, directors, and trustees
- Organization's history
- Fundraising activity

In addition to Sides 1 through 8, all organizations must complete **only one** specific section (Sides 9 through 20).

You must include the following documents:

- Domestic corporations (organized in California)
  - Articles of Incorporation and any subsequent amendments
  - Bylaws or Code of Regulations
- Foreign corporations (organized outside of California)
  - If qualified in California-Statement and Designation by Foreign Corporation or Certificate of Qualification
  - Home state Articles of Incorporation
  - Bylaws or Code of Regulations
  - Federal Determination Letter

- Unincorporated associations
  - Articles of association and/or bylaws with creating document language
  - Constitution and/or bylaws with creating document language
  - Other documents that describe how the association will operate
- Trusts
  - Trust Instrument
  - Federal Determination Letter

Limited liability companies (LLCs) organized in California, for R&TC Sections 23701h and 23701x (title holding organizations):

- Articles of Organization (LLC-1) and any amendments
- Operating Agreement
- Foreign LLCs registered in California, for R&TC Sections 23701h and 23701x (title holding organizations)
  - Articles of Organization (LLC-5) and any amendments
  - Operating Agreement

For R&TC Sections other than 23701h and 23701x (title holding organizations):

The LLC must submit an approved Form 8832, *Entity Classification Election*, from the IRS (taxed as a corporation) in addition to the above documents. The LLC must meet the organizational and operational requirements of R&TC Section 23701.

## Form 3500A, *Submission of Exemption Request*

Organizations filing Form 3500A with exemption based on IRC Section 501(c)(3), (c)(4), (c)(5), (c)(6), (c)(7), or (c)(19), Federal Determination Letter, must:

- Submit a completed Form 3500A.
- Include a copy of your organization's Internal Revenue Federal Determination Letter.

Organizations whose tax-exempt status was revoked must use the Form 3500 to reapply for tax-exempt status.

## Filing Requirements

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If your organization is tax-exempt for California purposes, you may need to file one or more of the following with us:

- Form 199, *California Exempt Organization Annual Information Return*.
- FTB 199N, *California e-Postcard*.
- Form 109, *California Exempt Organization Business Income Tax Return*.
- Form 100, *California Corporation Franchise or Income Tax Return*.

For detailed information about state filing requirements, fees, and penalties, see Pub. 1068, *Exempt Organizations – Filing Requirements and Filing Fees*. Go to [ftb.ca.gov/Forms](http://ftb.ca.gov/Forms) and search for **1068**.

### Determine if you need to file Form 199 or FTB 199N

The amount of your normal gross receipts determine your filing requirements.

The gross receipts are reported on the Form 199 or FTB 199N. We define gross receipts as the total amounts the organization received from **all sources** during its annual account period—**without subtracting** any costs or expenses (includes costs of goods sold, costs of operations, or expenses to earn, raise, or collect such amounts).

To determine your gross receipts average, use the charts below.

#### Tax Year 2012 to present gross receipts average of \$50,000

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<b>If your organization has existed</b>	<b>File Form 199 if the gross receipts exceed</b>
One year or less	\$75,000 for the first tax year
More than one year but less than three years	\$60,000 (average for current tax year and immediate prior tax year)
Three years or more	\$50,000 (average for current tax year and immediate prior two tax years)

#### Tax Years 2011 and prior gross receipts average of \$25,000

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<b>If your organization has existed</b>	<b>File Form 199 if the gross receipts exceed</b>
One year or less	\$37,500 for the first tax year
More than one year but less than three years	\$30,000 (average for current tax year and immediate prior tax year)
Three years or more	\$25,000 (average for current tax year and immediate prior two tax years)

Use the chart below to determine your filing requirements based on the gross receipts average.

Exempt under all R&TC Sections 23701, except R&TC Section 23701r		File Form 199 or FTB 199N	
		Form 199	FTB 199N
Tax year 2012 to present	Gross receipts normally equal to or less than \$50,000.	No	Yes
	Gross receipts greater than \$50,000.	Yes	No
Tax years 2011 and prior	Gross receipts greater than \$25,000.	Yes	No
Tax year 2010 and 2011	Gross receipts normally equal to or less than \$25,000.	No	Yes
Tax years 2009 and prior	Gross receipts normally equal to or less than \$25,000.	No requirement to file	
Private foundations (regardless of gross receipts amount)		Yes	No
Nonexempt charitable trusts described in IRC Section 4947(a)(1) (regardless of gross receipts amount)		Yes	No
<p>You are one of the following organizations:</p> <ul style="list-style-type: none"> <li>• Churches, interchurch organizations of local association units of a church, conventions or associations of churches, or integrated auxiliaries of churches.</li> <li>• Religious orders (such as Franciscan Friars or Sisters of Charity).</li> <li>• Organizations formed to carry out a function of a state, or public body that is carrying out that function and controlled by the state or public body.</li> <li>• Political organizations.</li> <li>• Pension trusts.</li> <li>• Coverdell Education Savings Accounts (ESAs), formerly called Education Individual Retirement Arrangements (IRAs).</li> <li>• Qualified state tuition programs.</li> <li>• Subordinate organizations included in the parent's group return.</li> </ul>		No requirement to file	

Organizations eligible to file FTB 199N may choose to file a complete Form 199.

### **FTB 199N, California e-Postcard**

Tax-exempt organizations with normal gross receipts below the Form 199 filing threshold file electronically an annual informational notice with us. However, organizations eligible to file FTB 199N may choose to file a complete Form 199 instead. (R&TC Section 23772)

You cannot file the FTB 199N for a tax year prior to 2010. If you need to file for a tax year prior to 2010, you must file Form 199.

There is no cost to file the FTB 199N. If your average gross receipts threshold is greater than the allowable threshold, we may send you a bill.

#### **Due Date**

You must file FTB 199N on or before the 15th day of the 5th month after the close of your organization's tax year. For example, if your tax year ends on December 31, the due date is May 15. If the due date falls on a weekend or state holiday, file by the next regular business day.

#### **Extension of time to file**

There is no extension of time to file.

### **Form 199, California Exempt Organization Annual Information Return**

**Private foundations** must file a complete Form 199, and pay the applicable filing fee. However, private foundations may complete Side 1 of Form 199, and provide one of the following as substitute information for Part II:

1. A complete copy of federal Form 990-PF, with appropriate schedules.
2. A complete copy of the current report filed with the Registry of Charitable Trusts, include federal Form 990.

#### **Due Date**

You must file Form 199 on or before the 15th day of the 5th month after the close of your organization's tax year. For example, if your tax year ends on December 31, the due date is May 15. If the due date falls on a weekend or state holiday, file by the next regular business day.

#### **Extension of time to file**

An extension allows you more time to file the return, not an extension of time to pay any fees due.

We will grant an automatic six-month extension to file a return if both of the following conditions exist:

- Your organization is not suspended on the original filing due date.
- You file your organization's return on or before the extended filing due date.

## Filing Fee

Generally, if you file Form 199, you pay a fee with the return. The amount depends upon when you file and when you make your payment (R&TC Section 23772).

File your return	Filing fee paid	Fee amount
By original due date.	By original due date.	<b>\$10.00</b>
After original due date, but on or before the extended due date.	After original due date, but on or before the extended due date.	
After extended due date.	By original due date.	
By original due date.	After original due date.	<b>\$25.00</b>
After original due date, but on or before the extended due date.	After the extended due date.	

## Exceptions

The filing fee does not apply to the following organizations exempt under R&TC Section 23701d:

If your organization is	And
Religious organization.	Organization has exclusively religious activities of any religious order.
Educational organization.	Organization normally maintains a regular faculty and curriculum and normally has a regularly organized body of pupils or students in attendance at the place where its educational activities are regularly carried on.
Charitable organization or an organization for the prevention of cruelty to children or animals.	Organization is supported, in whole or in part, by funds contributed by the United States or any state or political subdivision thereof, or <b>is</b> primarily supported (50% or more) by contributions of the general public.
Exempt under R&TC Section 23701d.	Organization is operated, supervised, or controlled by or in connection with a religious organization.

## Delinquent Form 199 Penalty

We impose a penalty if you do not file your organization's Form 199 by the extended due date regardless of whether you pay the fee. The penalty is \$5 per month or part of a month the Form 199 is late. The maximum penalty is \$40. We impose the penalty from the original due date of the return. (R&TC Section 23772)

Organizations exempt from the filing fee are not exempt from this penalty.

## **Form 109, California Exempt Organization Business Income Tax Return**

Generally, a tax-exempt organization files Form 109 when its income exceeds \$1,000 from a trade or business unrelated to its exempt purposes — even if the profits are used for exempt purposes.

**Exception:** Homeowners' associations and political organizations file Form 100 instead of Form 109 if they have taxable income.

### **Tax Rate**

The computed tax rate depends on how the organization was created.

- An incorporated organization or an unincorporated association computes its tax using the general corporation tax rate.
- A trust computes its tax using the appropriate trust tax rate.

### **Due Date**

The due date for filing Form 109 depends on how the organization was created.

- An incorporated organization, unincorporated association, or a trust (other than a pension trust or IRA) files on or before the 15th day of the 5th month after the close of its tax year. For example, if the tax year ends on December 31, the due date is May 15.
- A pension trust or IRA files on or before the 15th day of the 4th month after the close of its tax year. For example, if the tax year ends on December 31, then the due date is April 15.

We impose the same types of penalties and interest on California tax-exempt organizations as we impose on for-profit corporations.

### **Extension of time to file**

An extension allows you more time to file the return, not an extension of time to pay any fees due.

We will grant an automatic six-month extension to file a return if both of the following conditions exist:

- Your organization is not suspended on the original due date.
- You file your organization's return on or before the extended due date.

## **Form 100, California Corporation Franchise or Income Tax Return**

Homeowners' associations and political organizations with income in excess of \$100 from nonexempt functions file Form 100 and use the general corporation tax rate to compute the tax.

- These organizations do not pay the minimum franchise tax.
- Homeowners' associations may also need to file Form 199 or FTB 199N.

### **Due Date**

File Form 100 on or before the 15th day of the fourth month after the close of the organization's tax year. For example, if the tax year ends on December 31, the return is due on April 15.

We impose the same types of penalties and interest on homeowners' associations and political organizations as we impose on for-profit corporations.

**Exception:** We do not require political organizations to make estimate payments; therefore, we do not impose the estimate penalty on them.

### **Extension of time to file**

An extension allows you more time to file the return, not an extension of time to pay any fees due.

We will grant an automatic six-month extension to file a return if **both** of the following conditions exist:

- Your organization is not suspended on the original due date.
- You file your organization's return on or before the extended due date.

## Group Exemption and Group Filing

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### Group Exemption

A parent, state, district, or like organization seeking state tax-exempt status for its California subordinates may file on their behalf either:

- Form 3500, *Exemption Application*.
- Form 3500A, *Submission of Exemption Request*, if the entity obtained federal exemption under IRC Section 501(c)(3), (c)(4), (c)(5), (c)(6), (c)(7), or (c)(19).

Before group exemption is submitted, the parent organization must first or simultaneously receive tax-exempt status.

For detailed instruction about group exemption, get Form 3500, *Exemption Application*, or Form 3500A, *Submission of Exemption Request*. Go to [ftb.ca.gov/Forms](http://ftb.ca.gov/Forms) and search for **3500**.

### Group Filing

A central parent, or like organization may file a group return on Form 199 for two or more subordinate organizations that:

- Are tax-exempt under a group exemption letter that is still in effect or obtained tax-exempt status on their own.
- Are affiliated with the central organization at the time its annual accounting period ends.
- Are subject to the central organization's general supervision or control.
- Have the same tax year-end.

**Exception:** You cannot include private foundations in a group return.

For detailed instruction about group filing, get Form 199, *California Exempt Organization Annual Information Return*. Go to [ftb.ca.gov/Forms](http://ftb.ca.gov/Forms) and search for **199**.

Every year, each local organization must authorize the central organization in writing to include it in the group return and must declare, under penalty of perjury, that the authorization and the information it submits to be included in the group return are true and complete.

### Subordinate Organizations

If a subordinate organization earns gross unrelated business income of more than \$1,000 for the year, the subordinate must file its own Form 109. We also require the subordinate to file its own Form 199 or FTB 199N. The parent cannot include the subordinate in the group return.

## Consequences of Not Filing or Paying an Amount Due

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If Your Organization	And	Then
Has an FTB 199N filing requirement.	FTB 199N not filed for 3 consecutive years.	Tax-exempt status is revoked. The revocation is effective as of the filing due date of the third year.
Is an unincorporated association or unincorporated trust.	Organization failed to file a return or pay an amount due.	Tax-exempt status is revoked.
Is an Incorporated/Qualified corporation.	Organization failed to file a return or pay an amount due.	Entity status is suspended/forfeited and we may revoke the tax-exempt status.

## Suspended/Forfeited

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Once suspended, the corporation no longer has the protection of its corporate shield. That means, among other things:

- Its name is available to any other entity that wants to incorporate and use it.
- It cannot defend itself or file suit in court.
- The other party to the contract may void its contracts.
- We may revoke its tax-exempt status. Then the organization is subject to the franchise tax provisions – including the requirement to pay at least the minimum tax each year.

If the organization incorporated somewhere other than California, and qualified to do business in California through the California Secretary of State (SOS), rather than being suspended, the organization’s status is “forfeited.” The consequences of forfeiture are basically the same as they are for a suspended corporation.

### Remedies

The **primary** requirements for the organization to be reinstated to good standing are:

<b>If</b>	<b>Then</b>
FTB Suspended	The organization will be revoked the same date the entity is suspended by us.
SOS Suspended	<ul style="list-style-type: none"><li>• The organization needs to file their Statement of Information and any other documents required by SOS.</li><li>• We will send a letter to the organization giving them 60 days to come into compliance with SOS or the tax-exempt status will be revoked.</li></ul>
Revoked	<ul style="list-style-type: none"><li>• File all missing returns.</li><li>• Pay all amounts due.</li><li>• File Form 3500, <i>Exemption Application</i> :<ul style="list-style-type: none"><li>• Pay the application fee.</li><li>• Submit all documentation required in support of the application.</li></ul></li></ul>

## Jeopardizing Tax-Exempt Status

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There are several reasons an organization’s tax-exempt status can be in jeopardy and revoked. The following are just some of the reasons an organization’s tax-exempt status may be revoked:

- FTB 199N required and not filed for 3 consecutive years.
- Organization is suspended.
- Unincorporated association or incorporated organization does not file a missing return or pay a balance due.
- Organization is inactive.
- Not filing with the Registry of Charitable Trusts if required.
- No longer organized or operated for an exempt purpose.

## Dissolution

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For detailed instruction about dissolving your exempt organization, get FTB Pub. 1038, *Guide to Dissolve, Surrender, or Cancel a California Business Entity*. Go to **ftb.ca.gov/Forms** and search for **1038**.

## Public Listings

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We post a list of tax-exempt organizations and a list of those organizations whose tax-exempt status was revoked. The lists are located at **ftb.ca.gov/Forms** and can be found with the following search criteria:

- Tax-exempt organization’s list, search for **exempt list**.
- Revoked organization’s list, search for **revoked list**.

We update these lists monthly, and they are available in both Excel and PDF formats.

## Tax-Exempt Sections

<b>Descriptions of Exempt Organizations</b>	<b>R&amp;TC Section</b>	<b>IRC Section</b>
Labor, agricultural, or horticultural organizations	23701a	501(c)(5)
Fraternal beneficiary societies	23701b	501(c)(8)
Cemeteries, crematoriums	23701c	501(c)(13)
Religious, charitable, scientific, literary, educational, qualified amateur sports, prevention of cruelty to children or animals	23701d	501(c)(3)
Business leagues, chambers of commerce, real estate boards, etc.	23701e	501(c)(6)
Civic leagues, social welfare organizations, and local associations of employees	23701f	501(c)(4)
Social and recreational organizations	23701g	501(c)(7)
Property title holding corporations	23701h	501(c)(2)
Voluntary employee beneficiary organizations	23701i	501(c)(9)
Teachers' retirement fund associations	23701j	501(c)(11)
Religious or apostolic organizations	23701k	501(d)
Domestic fraternal societies	23701l	501(c)(10)
Supplemental unemployment compensation trusts	23701n	501(c)(17)
Self-employed individual retirement accounts/trusts	23701p	401
Political organizations	23701r	527
Employee funded pension trusts	23701s	501(c)(18)
Homeowners' associations	23701t	528
Public facility financial corporations	23701u	None
Mobile home park associations	23701v	None
Veteran's organizations	23701w	501(c)(19)
Title-holding organizations	23701x	501(c)(25)
Credit unions	23701y	501(c)(14)
Self-insurance pools for charitable organizations	23701z	501(n)

## Registry of Charitable Trusts

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The Registry of Charitable Trusts (within the California Department of Justice) ensures that charitable organizations use their funds and manage their assets properly.

The Registry of Charitable Trusts (Registry) requires registration within 30 days after receiving assets. To register, an organization submits Articles of Incorporation and bylaws and pays an initial registration fee. The fee applies to all charities registering with the Attorney General's Registry of Charitable Trusts for the first time, regardless of gross revenue or assets.

Once registered, the organization annually files a report with the Registry. If the organization does not file, the Registry notifies our Exempt Organizations Unit. We will send a notice that the organization has 120 calendar days to comply with the Registry, or we will revoke the organizations tax-exempt status.

If the tax-exempt status is revoked, then you may reapply for tax-exempt status if you do the following:

- File a Form 3500, *Exemption Application*, and pay the application fee.
- Submit the documentation required in support of your application.
- Comply with all Registry filing requirements.

## Bingo

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Certain types of organizations qualify to conduct bingo games, if they meet the requirements set forth in the Revenue and Taxation Code Section 23710 that references California Penal Code Section 326.5.

The organization **must** meet the primary requirements listed below:

- Qualify as one of the following types of organizations:
  - » A nonexempt senior citizens organization.
  - » A nonexempt mobile home park association.
  - » An organization exempt under one of the following California R&TC sections:
    - \* 23701a – labor, agricultural, or horticultural organization
    - \* 23701b – fraternal beneficiary societies, order or associations
    - \* 23701d – religious, charitable, scientific, testing for public safety, literary educational, amateur sports, or prevention of cruelty to children or animals organization
    - \* 23701e – business league chambers of commerce, real estate boards, and boards of trade
    - \* 23701f – civic leagues, social welfare organizations, and local employee organizations
    - \* 23701g – social club
    - \* 23701k – apostolic and religious organizations
    - \* 23701l – fraternal societies, orders, or associations
    - \* 23701w – veterans' organizations
- Have a license to conduct bingo games.
- Use the funds for charitable purposes.
- Meet all requirements of the California Penal Code Section 326.5.

### Oversight Responsibility

Various agencies get involved with some aspect of bingo gaming. Refer to the following list of contacts for more information:

- The local jurisdiction (city, county, or both):
  - Issues licenses to conduct bingo games.
  - Enforces the provision in their ordinances and the penal code.
  - Revokes licenses when facts and circumstances warrant.
- The Registry of Charitable Trusts ensures that the organization uses the funds for charitable purposes.

## Raffles

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Certain types of organizations qualify to conduct raffles, if they meet the requirement under California Penal Code Section 320.5.

The organization must meet primary requirements listed below:

- Registered with the Registry of Charitable Trusts and file annual reports.
- Exempt under one of the following California R&TC sections:
  - » 23701a – labor, agricultural, or horticultural organizations
  - » 23701b – fraternal beneficiary societies, order, or associations
  - » 23701d – religious, charitable, scientific, testing for public safety, literary educational, amateur sports, or prevention of cruelty to children or animals organization
  - » 23701e – business leagues, chambers of commerce, real estate boards, and boards of trade
  - » 23701f – civic leagues, social welfare organizations, and local employee organizations
  - » 23701g – social clubs
  - » 23701k – apostolic and religious organizations
  - » 23701l – fraternal societies, orders, or associations
  - » 23701t – homeowners' associations
  - » 23701w – veterans' organizations
- Submit to the Registry of Charitable Trusts an annual registration form (CT-NRP-1), including the raffle fee for each year the organization plans to conduct a raffle and receive a written confirmation before holding a raffle.
- File a report with the Registry for each raffle conducted.
- Use at least 90 percent of the gross receipts for charitable or public benefit purposes.

The Registry of Charitable Trusts administers the raffle law. Contact their office if you have questions about registration, reporting, or specific requirements for conducting a raffle.

**Web:** [oag.ca.gov/charities](http://oag.ca.gov/charities)  
**Phone:** 916.210.6400  
**Mail:** REGISTRY OF CHARITABLE TRUSTS  
OFFICE OF THE ATTORNEY GENERAL  
PO BOX 903447  
SACRAMENTO CA 94203-4770

## Contact Us

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### Internet and Telephone Assistance

Website: [ftb.ca.gov](http://ftb.ca.gov) and search for **charities**  
Telephone: 916.845.4171 from **7 a.m. to 4:30 p.m. weekdays, except state holidays.**  
TTY/TDD: 800.822.6268 for persons with hearing or speech impairments

### Your Rights as a Taxpayer

Our goal is to make certain we protect your rights. We want you to have the highest confidence in the integrity, efficiency, and fairness of our state tax system. FTB 4058, **California Taxpayers' Bill of Rights**, includes information on state taxpayers' rights and how to request written tax advice from us.

In keeping with the California Taxpayers' Bill of Rights, taxpayers who have been unable to resolve their problems with us through regular channels may contact our Taxpayers' Rights Advocate.

## Forms and Publications on the Web

<b>Form/Publication</b>	<b>Purpose</b>	<b>Go to <a href="http://ftb.ca.gov/Forms">ftb.ca.gov/Forms</a> and Search for</b>
Form 100, <i>California Corporation Franchise or Income Tax Return</i>	Tax Return	Form 100
Form 109, <i>California Exempt Organization Business Income Tax Return</i>	Tax Return	Form 109
Form 199, <i>California Exempt Organization Annual Information Return</i>	Information Return	Form 199
FTB 199N, <i>California e-Postcard</i>	Electronic Information Return	FTB 199N
Form 3500, <i>Exemption Application</i>	Exemption Application	Form 3500
Form 3500A, <i>Submission of Exemption Request</i>	Exemption Application if organization has IRC 501(c)(3), (c)(4), (c)(5), (c)(6), (c)(7), or (c)(19) and not previously revoked	Form 3500A
Form 3509, <i>Political or Legislative Activities By Section 23701d Organizations</i>	R&TC 23701d organizations that elect to make limited expenditures to influence legislation within the limitations set by R&TC Section 23704.5. Organizations making this election must complete this form and attach it to Form 199	Form 3509
FTB Pub. 1028, <i>Guidelines for Homeowners' Associations</i>	Instructions for Homeowners' Associations	1028
FTB Pub. 1038, <i>Guide to Dissolve, Surrender, or Cancel a California Business Entity</i>	Information to dissolve or withdraw an organization from California	1038
FTB Pub. 1068, <i>Exempt Organizations Filing Requirements and Filing Fees</i>	Detailed information about state filing requirements, fees, and penalties	1068
FTB Pub. 1075, <i>Exempt Organizations - Guide for Political Organizations</i>	Detailed information about who can qualify as a Political Organization	1075
FTB Pub. 1077, <i>Guidelines for Social and Recreational Organizations</i>	Detailed information about Social and Recreational Organizations	1077
FTB 4058, <i>California Taxpayers' Bill of Rights</i>	Information on state taxpayers' rights and how to request written tax advice from us	4058

## Request Forms by Telephone

Phone: 800.338.0505

TTY/TDD: 711 or 800.822.6268 for persons with hearing or speech impairments

When prompted, select **business entity information**, then select **forms and publications** and enter the code for the form you need. (For prior year forms, call 800.852.5711.) Allow two weeks to receive your order.

<b>Code</b>	<b>Form</b>
817	Form 100, <i>California Corporation Franchise or Income Tax Return</i>
818	Form 100-ES, <i>Corporation Estimated Tax</i>
814	Form 109, <i>California Exempt Organization Business Income Tax Return</i>
815	Form 199, <i>California Exempt Organization Annual Information Return</i>
802	Form 3500, <i>Exemption Application</i>
831	Form 3500A, <i>Submission of Exemption Request</i>

## Request Forms by Mail

TAX FORMS REQUEST UNIT

FRANCHISE TAX BOARD

PO BOX 307

RANCHO CORDOVA CA 95741-0307

## Assistance: Other Governmental Agencies

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For more information about nontax issues, refer to the following list of contacts:

<b>For Questions About</b>	<b>Contact</b>
Bingo issues	Your local law enforcement agency
Employment tax	Employment Development Department <b>edd.ca.gov</b>
Federal employer identification number (commonly referred to as "EIN" or "FEIN")	Internal Revenue Service or file an Application for Employer Identification Number (federal Form SS-4) <b>irs.gov</b>
Federal tax exemption	Internal Revenue Service <ul style="list-style-type: none"><li>• <b>irs.gov/eo</b></li><li>• 877.829.5500</li></ul>
Property tax	Your local assessor's office
Raffle issues	Registry of Charitable Trusts See Registry of Charitable Trusts Section of this publication.
Sales or use tax	California Department of Tax and Fee Administration <ul style="list-style-type: none"><li>• <b>cdtfa.ca.gov</b></li><li>• 800.400.7115</li></ul>



