

Major Changes-2008 Form 990-EZ, Short Form Return of Organization Exempt From Income Tax

Description of Changes Compared to Current Form 990-EZ

In order to allow both Form 990 and Form 990-EZ filers to use the same schedules for 2008 and later years, the Form 990-EZ is modified to allow the use of new Schedules A, C, E, G, L and N of the 2008 Form 990. These schedules are used to report information currently required by the Form 990-EZ. In addition, certain information no longer required to be reported on the 2008 Form 990 as a result of its redesign has also been eliminated from the Form 990-EZ. These changes include the following:

- Part I. Revenue, Expenses, and Changes in Net Assets or Fund Balances
 - Line 6a – replaced attached schedule with applicable parts of Schedule G (footnote 1) when amount from fundraising events or gaming activities exceeds \$15,000
- Part V.
 - Line 36 – replaced attached schedule with Schedule N.
 - Line 38b – replaced attached schedule with Schedule L, Part II.
 - Line 40b – replaced attached schedule with Schedule L, Part I.
 - Lines 44 and 45– added to remind sponsoring organizations of donor advised funds and controlling organizations that they must file a Form 990 instead of Form 990-EZ.
- Part VI has been added for 501(c)(3) organizations to report information that will be deleted from the 2008 Form 990, Schedule A.
 - Line 46 – added to prompt 501(c)(3) organizations to complete Schedule C Part I regarding political activities.
 - Line 47 – added to prompt 501(c)(3) organizations to complete Schedule C Part II regarding lobbying activities (2006 Schedule A, Part VI-A and VI-B).
 - Line 48 – added to prompt 501(c)(3) schools to complete Schedule E regarding private schools.
 - Lines 49a and 49b – added to identify transactions between 501(c)(3) organizations and tax-exempt organizations other than 501(c)(3) organizations; however, 990-EZ filers are longer required to provide the details of such transactions.
 - Line 50 – added to report compensation of the highest compensated employees other than officers, directors, trustees and key employees (current Schedule A, Part I); threshold raised from \$50,000 to \$100,000.
 - Line 51 – added to report compensation of highest compensated independent contractors for professional as well as other services.

Filing Tests for Tax Years 2008, 2009, and 2010

In order to provide organizations time to transition to the new form, the redesigned 2008 Form 990 will be phased-in over three years for smaller organizations. This will be accomplished through increases in the filing thresholds for the Form 990-EZ. Note that the threshold amounts in the section under the title, in item L, and in the header for Part II, have been updated to reflect the phase-in amounts for 2008. For tax years 2008 and later, Form 990-EZ may be filed by an organization if both its gross receipts and assets are as follows:

<i>May file 990-EZ for:</i>	<i>If gross receipts are:</i>	<i>If assets are:</i>
2008 tax year (filed in 2009)	> \$25,000 and < \$1 million	< \$2.5 million
2009 tax year (filed in 2010)	> \$25,000 and < \$500,000	< \$1.25 million
2010 and later tax years	> \$50,000 and < \$200,000	< \$500,000

¹ If a 990-EZ filer reports, on line 6a, more than \$15,000 from special events or \$15,000 from gaming activities, it would complete only Schedule G, Part I line 1 (line 2 is not required for EZ-filers) and Parts II or III as applicable.