# Instructions for Form 8871

Department of the Treasury
**Internal Revenue Service**

(Rev. February 2011)

**Political Organization Notice of Section 527 Status**

Section references are to the Internal Revenue Code unless otherwise noted.

## General Instructions

### Purpose of Form

Political organizations must use Form 8871 to notify the IRS that the organization is to be treated as a tax-exempt section 527 organization. The IRS is required to make publicly available on the Internet and at its offices a list of the organizations that file Form 8871 (including the organization's mailing address, email address, custodian of records, and contact person as shown on Form 8871).

Political organizations must also use Form 8871 to notify the IRS of any material change in the information reported on a previously filed Form 8871.

### Definitions

#### Political organization

Political organization means a party, committee, association, fund, or other organization (whether or not incorporated) organized and operated primarily for the purpose of directly or indirectly accepting contributions or making expenditures, or both, for an exempt function.

#### Exempt function

Exempt function means the function of influencing or attempting to influence the selection, nomination, election, or appointment of any individual to any federal, state, or local public office or office in a political organization, or the election of the Presidential or Vice Presidential electors, whether or not such individual or electors are selected, nominated, elected, or appointed. It also includes expenditures made relating to one of these offices, which if incurred by the individual, would be allowable as a business deduction under section 162(a).

### Who Must File

Every political organization that is to be treated as a tax-exempt political organization under the rules of section 527 must file Form 8871, except for:

- An organization that reasonably expects its annual gross receipts to always be less than $25,000,
- A political committee required to report under the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.),
- A political committee of a state or local candidate,
- A state or local committee of a political party, or
- A tax-exempt organization described in section 501(c) that is treated as having political organization taxable income under section 527(f)(1).

### When To File

#### Initial Filing

Form 8871 must be electronically filed within 24 hours of the date on which the organization was established. If the due date falls on a Saturday, Sunday, or legal holiday, the organization may file on the next business day. See Pub. 4216, Political Organization Filing and Disclosure, Filing Process User Guide, for more information.

**Note.** An organization that has not filed an initial Form 8871 because it reasonably expected its annual gross receipts to always be less than $25,000 must file an initial Form 8871 within 30 days of reaching $25,000 in annual gross receipts.

#### To Report a Material Change or Termination

In general, an organization must file an amended Form 8871 within 30 days after the occurrence of the material change being reported. An organization must file a final Form 8871 within 30 days of termination. If the due date falls on a Saturday, Sunday, or legal holiday, the organization may file on the next business day. See Pub. 4216, Political Organization Filing and Disclosure, Filing Process User Guide, for more information.

### Where and How To File

Section 527(i)(1)(A) requires that the organization file Form 8871 electronically. The paper version of Form 8871 is obsolete. File Form 8871 online at *www.irs.gov/polorgs* (IRS Keyword: political orgs).

A first-time user electronically submitting an initial Form 8871 will be instructed to print, sign, and mail a Form 8453-X, Political Organization Declaration for Electronic Filing of Notice of Section 527 Status, to the IRS. An authorized official must sign and date Form 8453-X. Send the completed Form 8453-X to:

Department of the Treasury
Internal Revenue Service
Ogden, UT 84201

Upon receipt of Form 8453-X, the IRS will mail to the organization a username and password that must be used to file an amended or final Form 8871 or to electronically file Form 8872, Political Organization Report of Contributions and Expenditures.

### Who Must Sign

Form 8871 must be signed by an official authorized by the organization to sign this notice.

### Effect of Failure To File Form 8871

An organization that is required to file Form 8871, but fails to do so on a timely basis, will not be treated as a tax-exempt section 527 organization for any period before the date Form 8871 is filed. In addition, the taxable income of the organization for that period (or, where there is a material change and a failure to timely file an amended Form 8871, for the period beginning on the date the change occurred and ending on the date on which the amended Form 8871 is filed) is subject to tax and must be reported on Form 1120-POL. The tax will be computed by including its exempt function income (minus any deductions directly connected with the production of that income).

## Other Required Reports and Returns

An organization that files Form 8871 also may be required to file the following forms:

- Form 8872, Political Organization Report of Contributions and Expenditures (periodic reports are required during the calendar year).
- Form 990, Return of Organization Exempt From Income Tax, or Form 990-EZ, Short Form Return of Organization Exempt From Income Tax (or other designated annual information return).
- Form 1120-POL, U.S. Income Tax Return for Certain Political Organizations (annual income tax return).

## Public Inspection of Form 8871 and Related Materials

Form 8871 (including any supporting papers), and any letter or other document the IRS issues with regard to Form 8871, are open to public inspection at the IRS in Washington, DC, and online at *www.irs.gov/polorgs* (IRS Keyword: political orgs). In addition, the organization must make available for public inspection a copy of these materials during regular business hours at the organization's principal office and at each of its regional or district offices having at least three paid employees. A penalty of $20 per day will be imposed on any person under a duty to comply with the public inspection requirement for each day a failure to comply continues.

## Telephone Assistance

If you have questions or need help completing Form 8871, please call 1-877-829-5500. This toll-free telephone service is available Monday through Friday.

# Specific Instructions

## Part I. General Information

### Employer Identification Number (EIN)

Enter the EIN in the space provided. If the organization does not have an EIN, it must apply for one on Form SS-4, Application for Employer Identification Number. Form SS-4 can be downloaded at IRS.gov or by calling 1-800-TAX-FORM (1-800-829-3676). See the Form SS-4 instructions for information about where and how to file, including by telephone, fax, mail, or online.

When electronically filing an amended or final Form 8871, the organization's EIN will be entered by the computer program and may not be changed.

### Line 3. Applicable Notice

- Check *Initial notice* if this is the first Form 8871 filed by the organization.
- Check *Amended notice* if the organization is filing an amended notice.
- Check *Final notice* when the organization ceases operations and dissolves as a tax-exempt Section 527 organization or is no longer required to file Form 8871.

### Line 4b. Date of Material Change

For an initial notice, the date of material change is not required unless the organization is filing its initial notice because it no longer qualifies for an exception to the filing requirements, such as reasonably anticipating it will always have annual gross receipts of less than $25,000. In that case, enter the date the organization no longer qualified for the exception. For an amended notice, enter the date of the material change being reported. For a final notice, enter the date the organization terminated.

### Lines 6a and 6b. Custodian of Records

Enter the name and address of the person in possession of the organization's books and records.

### Lines 7a and 7b. Contact Person

Enter the name and address of the person whom the public may contact for more information about the organization.

### Lines 9a and 9b. Election Authority Identification Number

Enter the name of the election authority on line 9a. If the organization has not been assigned any identification number by any election authority, enter "None" on line 9b. Otherwise, provide each identification number assigned and identify the state in which the election authority is located. For a federal identification number, enter "Federal" for the state.

## Part II. Notification of Claim of Exemption From Filing Certain Forms

### Lines 10a and 10b. Qualified State or Local Political Organization

Qualified state or local political organizations (defined below) are exempt from filing Form 8872. If you are claiming this exemption for the organization, you must check the "Yes" box on line 10a and enter the state where the organization files its reports on line 10b. If not, check the "No" box.

A qualified state or local political organization is a political organization that meets the following requirements.

- The organization limits its exempt function to the purpose of influencing or attempting to influence the selection, nomination, election, or appointment of any individual to any state or local public office or office in a state or local political organization.
- The organization is required under a state law to report to a state agency (and the organization does so) the information that otherwise would be required to be reported on Form 8872. The organization will meet this requirement even if the state law does not require reporting of the identical information required on the Form 8872, so long as at least the following information is required to be reported under the state law and is reported by the organization:

1. The name and address of every person who contributes $500 or more in the aggregate to the organization during the calendar year and the amount of each contribution, and
2. The name and address of every person to whom the organization makes expenditures aggregating $800 or more during the calendar year, and the amount of each expenditure.

However, if the state law requires the reporting of (if an individual) the occupation or employer of any person to whom such expenditures are made, or the date or purpose of each such expenditure; or, if the state law requires the reporting of (if an individual) the occupation or employer of any such contributor or the date of each such contribution, the organization will meet this requirement only if it reports that additional information to the state agency.

- The state agency makes the reports filed by the organization publicly available.
- The organization makes the reports filed with the state agency available for public inspection during regular business hours at the organization's principal office (and at each of its regional or district offices having at least three paid employees). Contributor information must be disclosed to the public.
- No federal candidate or officeholder controls or materially participates in the direction of the organization, solicits contributions to the organization, or directs any of the organization's disbursements.

For additional information, see section 527(e)(5) and Revenue Ruling 2003-49, 2003-20 I.R.B. 903.

### Line 11. Caucus or Association

A political organization that is a caucus or association of state or local officials is exempt from filing Form 990. If you are claiming this exemption for the organization, you must check the "Yes" box on line 11. If not, check the "No" box.

## Part IV. List of All Related Entities

### Line 13.

If there are no related entities, check this box and proceed to the next step.

### Lines 14a through 14c. Name, Relationship, and Address of Related Entity

If there is more than one related entity, add each related entity until all related entities are entered and proceed to the next step.

List the name, relationship, and address of all related entities. An entity is a related entity if either 1 or 2 below applies:

1. The organization and that entity have (a) significant common purposes and substantial common membership or (b) substantial common direction or control (either directly or indirectly).
2. Either the organization or that entity owns (directly or through one or more entities) at least a 50% capital or profits interest in the other. For this purpose, all entities that are defined as related entities under 1 above must be treated as a single entity.

If 1 applies, enter "connected" under relationship. If 2 applies, enter "affiliated" under relationship.

## Part V. List of All Officers, Directors, and Highly Compensated Employees

### Lines 15a through 15c. Name, Title, and Address

Enter the name, title, and address of all of the organization's officers, members of the board of directors (that is, governing body, regardless of name), and highly compensated employees. *Highly compensated employees* are the five employees (other than officers and directors) who are expected to have the highest annual compensation over $50,000. Compensation includes both cash and noncash amounts, whether paid currently or deferred.

If there is more than one individual required to be listed in Part V, add each officer name until all names are entered and proceed to the next step.

## Filing

You will not be able to reach this step until you have provided all required information. Before moving on to this step, please review all information entered to ensure that it is true, correct, and complete. Once you have attested to this by entering your name and using the "Submit Form 8871" button, the information entered will be made available to the public. Form 8453-X is generated when the initial Form 8871 is electronically filed. See *Where and How to File* on page 1.

**Paperwork Reduction Act Notice.** We ask for the information on this form to carry out the Internal Revenue laws of the United States. If the organization is to be treated as a tax-exempt section 527 organization, you are required to give us the information. We need it to ensure that you are complying with these laws.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. The rules governing the confidentiality of Form 8871 are covered in section 6104.

The time needed to complete and file these forms will vary depending on individual circumstances. The estimated average times are:

| Forms | 8871 | 8453-X |
|---|---|---|
| Recordkeeping | 5 hr., 15 min. | 28 min. |
| Learning about the law or the form | 47 min. | 6 min. |
| Preparing and sending the form to the IRS | 55 min. | 6 min. |

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:T:SP, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224. Do not send Form 8871 to this address. Instead, see *Where and How To File* on page 1.