

Recreation Council Tax Filing

Your council may:

- Be required to file with revenue exceeding \$50,000 over the course of the year.
 - An exempt organization (other than a private foundation) that normally has annual gross receipts of \$50,000 or less (\$25,000 for tax years ending before December 31, 2010) and therefore is eligible to file an annual electronic notice Form 990-N instead of an annual information return).
 - **Note:** For tax years ending after August 17, 2006, a section 509(a)(3) supporting organization must generally file Form 990-N E-Postcard.
 - You may use any accountant of your council's choice, but it is recommended that you use a CPA who is familiar with non-profit filing.
- Or choose to file with revenue less than \$50,000 over the course of the year.
 - It is not a bad idea to file even though your council brought in under \$50,000 over the course of the year because it gives you something on record in case anyone requests the information.
 - BUT there is no requirement to file if your council's revenue is less than \$50,000 for the year.
 - If your council chooses NOT to file and the IRS sends you a notice inquiring about the status of your council's tax return, simply fill out the simple form that they send to you with this inquiry. It will be a simple check the box form. If you use Tip jars you will be required to file regardless of income.
- If your council has not already filed a return (if required) or has not taken the decision of whether or not to file before the membership, please do so before February.
- If your council IS going to file a tax return, you will need to know your council's Federal ID # and the Group Exemption Number.

IRS Non-Profit Status:

The Association of Recreation Councils and its subordinate recreation councils ARE considered non-profit under the guidelines of ruling 501c3.

We received Group Non-Profit Exemption on May 19, 2000. Our Group Exemption number is 8328. A copy of the Group Exemption Award Letter is attached along with a list of the subordinate organizations. You will need to know the Group Exemption number (8328) to file a tax return.

Tax Exempt Number:

- The Frederick County Association of Recreation Councils has a tax-exempt number. In the past those councils who have requested it have been sharing this number.
- It is up to each council to determine if they want to be exempt from paying sales tax.

- It is now up to each individual council to apply for their own tax-exempt number. A “Combined Registration Application” must be filed with the State of Maryland to request a tax-exempt number. You will need to include a copy of the
 - a) Non-Profit Group Exemption AWARD Letter with
 - b) The list of subordinate organizations covered under the group exemption, and
 - c) Your Council’s Constitution and By –Laws. All of these documents are attached except your Council’s Constitution and By-Laws.
- There is no deadline for applying for tax-exempt number and it is NOT required.

Raffle Permits, Bingo, and Tip Jar Permits:

- Are the responsibility of each recreation council to complete and submit application if the council chooses.
- More than likely you will need too submit a copy of the Non-Profit Award Letter and your council’s Constitution and By-Laws.
- Please call the Frederick County Office of Permits and Inspections if your council is interested at 301-600-1082.
- Each council that does use Tip Jars during the course of the year must file tax returns.