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To: OIRA_Submission@OMB.EOP.gov; PRA
Subject: Proposed IRS Form 1023-EZ
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Form 1023-EZ would offer a significant reduction in time, money and paperwork for many small nonprofit organizations. It would save nonprofits at least $500-$2,000 in professional fees from hiring a professional (usually an attorney or Certified Public Account) to prepare the current Form 1023. The Form 1023-EZ would also reduce the data collection and paperwork burden on qualifying nonprofit organizations. From personal experience in having prepared more than 60 Form 1023 applications, I estimate the time savings could conservatively be 40-100 hours per application. Additionally, there will be a commensurate decrease in burden on the IRS in evaluating Form 1023 applications. The proposed Form 1023-EZ is a positive step in the right direction for reducing the burden of tax exempt application especially for small, all-volunteer charities.

Specific comments on the Proposed Form 2013-EZ:
Part II. Line 2: It appears that the IRS is not requesting a copy the organizing document, only requiring the organization to attest that they have organizing documents. The IRS should request a copy of the organizing document to be included with the Form 1023-EZ. Attaching a copy of the organizing document is not an undue burden on the applicant. Instead, it assures the IRS that the applicant is properly organized.

No explanation of activities nor Narrative is requested. Pat III Line 1 NTEE Code appears to replace the Narrative. I hope this is sufficient information for the IRS to make a tax exempt determination.

Part III Line 5 includes in compensation "personal or family educational benefits." The definition of "educational benefits" is unclear. Many 501(c)(3)s are educational organizations, offering education to the public or their members and by extension to their officers, directors and trustees. It is unclear if checking Yes to Line 5 includes these incidental educational benefits offered by educational charities.
It is also unclear if checking Yes to Line 5 means the applicant is ineligible for 501(c)(3) status.
If the Yes box is checked, will there be some follow-up from the IRS? Will the applicant be sent an Pub 15 Employer Tax Guide?

Part III Line 6 "Pay expenses for individuals" is very unclear. A charity might send its officers to a convention, is that "paying expenses for individuals"? A scholarship program might pay college tuition on behalf of a scholarship recipient. Another charity might pay the utility bill for an indigent individual; are those "paying expenses for individuals"? These expenses could be within the scope of their exempt purpose. The Form 1023-EZ should provide a means to offer an explanation to the question on Line 6.

Part V: A User fee is not given. I encourage the IRS to offer a User fee of $200 or

less.

In the Instructions, Under General Instruction/Who Can File This Form: The list of who can file this form is confusing because of the sentence with the word "not." The list of questions in the Eligibility Worksheet is much clearer.

The eligibility worksheet should be placed near the beginning of the instructions, not at the end.

Overall, I appreciate the simplicity of the Form 1023-EZ and applaud the attempt by the IRS to reduce reporting for legitimate nonprofit organizations. I do have a concern that the IRS may not be requesting enough information to make a determination from non-legitimate organizations. I think the IRS should request a copy of the organizing documents.

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