

IRS**News Release****Media Relations Office****Washington, D.C.****Tel. 202.622.4000****For Release: 5/2/02****Release No: IR-2002-57****IRS OFFERS OPPORTUNITY FOR 527 GROUPS TO COMPLY BY JULY 15**

WASHINGTON – The Internal Revenue Service today announced an opportunity for certain tax-exempt political organizations to file required forms by July 15, 2002. The voluntary compliance program for political organizations that failed to file or filed incorrectly will promote maximum disclosure to the public before upcoming general elections.

The announcement outlined in Notice 2002-34 is an attempt to clarify filing requirements by certain political organizations. The announcement also is part of a broader effort to raise awareness about the disclosure law. Failure to meet the filing requirements by July 15, 2002 could result in the assessment of taxes, penalties and interest.

“We realize there has been some confusion about the filing requirement imposed on political organizations in the 2000 legislation,” said Steven T. Miller, Director of IRS’s Exempt Organizations Division. “Some political organizations may have either failed to file or filed incompletely. We believe that the voluntary compliance program we are announcing today is in the best interests of sound tax administration. The July 15 deadline will ensure the public availability of records prior to general elections.”

The additional time to file forms applies to any section 527 organization. The additional time to file forms will ensure that these political organizations have an opportunity to come into compliance with congressional mandates. The IRS wants to ensure that these forms become available to the public.

Section 527 of the Internal Revenue Code provides tax-exempt status for political organizations, including political party committees, political action committees (PACs) and federal, state and local candidate committees. Political committees and organizations that receive \$25,000 or more in gross receipts and wish to be tax exempt under section 527 must file certain information forms.

After July 15, 2002, the IRS will assert any applicable tax, penalty or interest for late filing against so-called section 527 political organizations that have not complied with the reporting requirements. The IRS also reminds political organizations that their forms must be provided to the public upon request at either their main business location or web site. Many forms also are posted on IRS.gov.

The IRS also released Fact Sheet 2002-11, which summarizes the section 527 filing requirements. The fact sheet includes a table depicting the various filing requirements in a simplified format. Notice 2002-34 will appear in Internal Revenue Bulletin 2002-21, dated May 28, 2002.