



## 501(c)(4) Tax Exemption

### Which organizations are included in this exemption?

- Social welfare organizations
  - These are organizations not organized for profit and which are operated exclusively to promote the social welfare
    - This means the organization operates primarily to further the common good and general welfare of the people of the community (such as by bringing about civic betterment and social improvements)
  - Homeowners' associations and volunteer fire companies might qualify for this exemption if they meet the requirements outlined by the IRS
- Local associations of employees
  - These are organizations that have a purely local character by limiting membership to employees of a designated person or persons in a particular locality and that devote net earnings to charitable, educational, or recreational purposes
- See the [IRS website](#) for additional information

### What are the requirements for this exemption?

- Must not be organized for profit
- Operated exclusively to promote social welfare
- The earnings of the organization may not inure to the benefit of any private shareholder or individual
- Engagement in political campaigns on behalf of or in opposition to candidates for public office must not constitute a substantial part of or the organization's activities
- See the [IRS website](#) for additional information

### How does an organization obtain this exemption?

- [File Form 8976](#), Notice of Intent to Operate under 501(c)(4)
- [File Form 1024-A](#) to receive tax-exempt status

### Examples of 501(c)(4) Organizations

- See [IRS Examples](#)

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