

THE TAX MAN COMMETH

In 2006 congress enacted legislation to crack down on the misuse of nonprofit entities. These new rules apply to all nonprofit entities including Lions.

The new rules apply to years beginning after January 1, 2007.

All Lions clubs are on a fiscal year that begins on July 1 and ends on June 30. Therefore the first year that affects the Lions is for the year that began on July 1, 2007 and ends on June 30, 2008.

That means, the first income tax return subject to the new rules will be due by November 15, 2008. Every club will have to file a 990N, a 990EZ or a 990 tax form.

The comment period on a draft of the new forms ended on September 15, 2007. It will probably take the IRS 3 to 6 months to finalize the new forms 990 and 990EZ. It will also take that long to develop the website necessary to file form 990N.

Form 990N is basically an information form wanting to know if your club is still alive and that your gross receipts are under \$25,000.

As soon as all the details are final, I will put together a simple guide that Lions can use to meet the new requirements and avoid IRS issues. That guide should be ready in January or early February. There will also be a presentation at the Michigan Forum in February, 2008.

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