

4) Fraternal organizations operating under the lodge system and furnishing life, sick, accident or other benefits to members and dependents.

5) Organizations wholly owned by the U.S. or its agencies (and their wholly owned subs).

Changes in the character, operation, or purpose of the above organizations must be immediately reported in writing to the district director for the district where the organization has its principal office.

All other information returns must be filed by the above organizations in the same way as any other taxpayer. They are excused only from the filing of the annual returns described in § 7957. The information returns which all organizations must file include returns:

... on payments of \$600 or more in connection with its operations, see § 1413.

... on payments of dividends and interest, see § 2472 *et seq.*

... on tax withheld, see § 3700.

For information returns on the payment of patronage dividends by cooperatives, see § 7640.

1. Code Sec. 6033; Regs. § 1.6033-1(g).

§ 7957. Annual return of exempt organizations.

Form 990 is the principal information return of exempt organizations, and must be used unless the organization is required to file one of the special forms described below.¹

Labor organizations may use copies of Department of Labor Forms LM-2 and LM-3 in place of specific information required on the Form 990, though the Form 990 must otherwise be completed and filed.

Form 990-A must be used by charitable and other Code Sec. 501(c)(3) organizations which are required to file because they aren't supported by government or public contributions, see 7956.

A charitable foundation which leases property rent-free to an educational organization may deduct the rental expenses on Form 990-A as operating expenses or as a gift, providing the item is consistently treated.

Form 990-C is used by "exempt" farmers' cooperative marketing and purchasing associations. Form 990-C is actually an *income tax return*, since farmers' cooperatives are subject to tax and are only nominally exempt.²

Form 990-P is used by exempt employee trusts.

Form 990-T is used by otherwise exempt organizations which have *unrelated business taxable income*, see § 8000. This too is really an income tax return, since the unrelated business income is taxed on the Form 990-T.

Form 1065, the regular partnership return, must be filed by tax-exempt *religious or apostolic associations or corporations* having a common or community treasury whose members include in their gross income their pro rata share of the organization's taxable income. As any partnership return, the Form 1065 must show gross income, deductions, taxable income, and members' names, addresses, and distributive shares.

Group returns. A central or parent exempt organization must file a separate annual return for itself, but it may also file a group return on Form 990 or 990-A for 2 or more of its local chapters, branches, etc., in place of their separate returns. The parent's year is the reporting period.

To be includible in a group return the local organization must be (a) chartered by or associated with the parent at the close of its year, (b) subject to the parent's supervision, and (c) exempt under the same law provision as the parent.

The parent must advise each district director where a local would ordinarily file as to whether the local will or won't be included in a group return.

Federal credit unions may have a group return filed with the district director, Baltimore, Md.³

State-chartered exempt credit unions may have a group return filed by the state agency controlling and supervising the group. The state agency must notify each appropriate district director, as explained above.⁴

For information returns of trusts claiming a charitable deduction under Code Sec. 642(c), see § 1955.

1. Regs. § 1.6033-1(a).

2. Code Sec. 522.

3. Rev. Rul. 60-169, CB 1960-1, 621.

4. Rev. Rul. 60-364, CB 1960-2, 382.

§ 7958. When and where annual returns are filed. Otherwise exempt organizations which are *taxable as corporations on their unrelated business income* must file their Form 990-T on or before the 15th day of the 3rd month following the close of the taxable year (by the following March 15th for calendar year organizations).¹

"Exempt" farmers' cooperatives must file their Form 990-C by the 15th of the 9th month after the close of the taxable year (by the following Sept. 15th for calendar year cooperatives).²

Religious or apostolic associations or corporations required to file Form 1065 must file by the 15th day of the 4th month following the close of the taxable year (by the following April 15th for calendar year associations).