

CGJA Guidelines for Chapter Tax Filings
Updated April, 2016

The following recommendations do not constitute legal advice or a legal opinion.

With regard to exemption from federal and state income taxes:

CGJA obtained a federal income tax group exemption on behalf of its Chapters from the Internal Revenue Service (IRS) in 1999, and a state income tax group exemption on behalf of its Chapters from the California Franchise Tax Board (FTB) in 2013. As new Chapters are established, CGJA notifies the IRS that such Chapters are to be included in CGJA's group exemptions. *CGJA does not file annual federal tax returns with the IRS or annual state tax returns with the FTB for any Chapters.*

With regard to status as a charity under California law:

The California Attorney General requires that all non-profit entities, whether incorporated or unincorporated and whether recognized as tax exempt or not, register their charity with the AG's Registry of Charitable Trusts at the time of their commencing business, and thereafter file an annual update with the Registry. *CGJA does not register Chapters.*

Recommendations:

All CGJA Chapters should file their own annual federal tax returns with the IRS (Form 990, 990N or 990EZ) if they are exempt pursuant to CGJA's group exemption or pursuant to their own independent acquisition of exempt status under federal law. Failure to do so may result in the loss of your tax-exempt status.

If a Chapter is not yet exempt from federal income taxes, it should request that CGJA include it under the CGJA group exemption. Any Chapter that is not exempt may have to file a federal tax return as a non-exempt entity (Form 1120 if a corporation or other form if not) until such time as the IRS recognizes and accepts it under CGJA's group exemption from federal income taxes.

THE IRS TAX FILING DUE DATE IS the 15th day of the fifth month following the close of the Chapter's fiscal year.

All CGJA Chapters should file their own annual state tax returns with the FTB (Form 199 or 199N) if they are exempt pursuant to CGJA's group exemption or pursuant to their own independent acquisition of exempt status under California law.

If a Chapter is not yet exempt from state income taxes, it should request that CGJA include it under the CGJA group exemption. Any Chapter that is not exempt may have to file a state tax return as a non-exempt entity (Form 100) until such time as the FTB recognizes and accepts it under CGJA's group exemption from state income taxes.

THE FTB TAX FILING DUE DATE IS the 15th day of the fifth month following the close of the Chapter's fiscal year.

All CGJA Chapters should register their Chapter as a charity with the California AG's Office of Charitable Trusts (Form CT-1) and thereafter file an annual update of its registration (Form RRF-1).

Please contact CGJA at finance@cgja.org if you have questions about these procedures.