

Comparison of 501(c)(3)s*, 501(c)(4)s, and Political (527) Organizations			
	501(c)(3)s	501(c)(4)s	Political (527) Organizations
Tax Status	Tax-exempt; contributions to a 501(c)(3) are generally tax deductible; contributions are not subject to federal gift tax	Tax-exempt; contributions to a 501(c)(4) are not generally tax deductible	Tax-exempt; contributions to a 527 are not tax deductible; contributions are not subject to gift tax
Related Organizations	May establish a 501(c)(4)	May establish a 501(c)(3) and 527	May be established by a 501(c)(4)
Lobbying Activities	Limited lobbying expenditures, including ballot measures and judicial nominations	No limit on lobbying expenditures, including ballot measures and judicial nominations	Limited (insubstantial) lobbying expenditures permissible, but may be subject to tax if not furthering political purposes
Political Activities	Prohibited from engaging in any partisan political activities; may conduct nonpartisan voter engagement activities May not establish a 527 for political activities <b>Penalties:</b> revocation of tax-exempt status and excise taxes on both the organization and its managers	May carry on partisan political activities subject to federal and state campaign finance laws Must be "secondary," not "primary" purpose of the organization May establish a 527 for political activities May be taxed on political expenditures	No limit on aggregate expenditures; subject to federal and state campaign finance laws including limits on contributions
Application for Tax-Exempt Status and Subsequent Reporting Requirements	IRS Form 1023; report annually on IRS Form 990 <sup>9</sup>	IRS Form 1024; report annually on IRS Form 990; Form 1120-POL for political expenditures	Depends on type of 527; see following chart
IRS Requirements for Disclosing the Non-Deductibility of Contributions on Fundraising Solicitations	Not required	For contributions, disclosure of non-deductibility required on all solicitations by writing, television, radio, or telephone (with limited exceptions) For business expense deductions, may be required to disclose percentage of dues used for lobbying and political activities (with limited exceptions)	Disclosure of non-deductibility required on all solicitations by writing, television, radio, or telephone; other disclosures and requirements may apply under federal or state campaign laws
Public Disclosure of Contributors	Not required; disclose on Form 990 but not for public inspection	Not required; disclose on Form 990 but not for public inspection; may be required for ballot measure activity or electoral activity	Yes; disclose on Form 8872 or under federal or state campaign finance laws

\* These rules apply to public charities only. Private foundations are subject to more restrictive roles.

Excerpted from page 6 of "The Connection: Strategies for Creating and Operating 501(c)(3)s, 501(c)(4)s and Political Organizations," 3rd ed., 2012. For the full publication, visit [www.bolderadvocacy.org](http://www.bolderadvocacy.org)