January 22, 2013

To: Officers of ACS Divisions

From: Rosalee Lewis, Tax Manager, Tax Compliance & Reporting

RE: Tax Information Update

Another year has passed and, once again, it is time to prepare information and income tax returns filing with the IRS. In order to maintain its group exemption, the ACS and each Division must comply with the IRS reporting and filing requirements. Although Divisions are covered under the ACS group exemption letter, their finances are not included in the (national) ACS return filings with the IRS. The ACS Divisions operate as autonomous units of the Society, and as such, maintain independent control over their finances. **Therefore, each Division has the responsibility to file its own separate return with the IRS in order to maintain its tax-exempt status.**

As an organization exempt from income tax, each Division must file an annual information return (Form 990 or Form 990-EZ) or an annual electronic notice (Form 990-N) depending upon the organization's gross receipts and total assets. Each Division must use its own federal employer identification number and not use the ACS federal employer identification number.

As treasurer, you need to determine which form your Division is required to file with the IRS. The table below shows the guidelines and due dates for filing the 2012 Form 990, 990-EZ, or 990-N.

2012 Tax Year Ending December 31, 2012 (Filed in 2013)	***Form to File***	***Deadline***
Gross receipts normally ≤ $50,000	990-N	May 15, 2013
Gross receipts > $50,000 and < $200,000, and total assets < $500,000	990-EZ - or - 990	May 15, 2013
Gross receipts ≥ $200,000, or total assets ≥ $500,000	990	May 15, 2013

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- **2012 IRS Form 990-N, Electronic Notice (**e-Postcard**), due on May 15, 2013 (No extension granted):**

For 2012 tax year, most tax-exempt organizations whose **gross receipts** are **normally $50,000 or less** are required to electronically submit Form 990-N (**e-Postcard**) by May 15, 2013. The **Form 990-N, Electronic Notice** requires the following information:

1. Your Division's Employer Identification Number (EIN), also known as a Taxpayer Identification Number (TIN). It can be found on your Division's prior year return, or ask the ACS Tax Office for the Division's EIN on file. **Be sure to use the Division's own EIN. Do not use the EIN of the ACS National.**
2. Your Division's legal name (found on the Division's bylaws) and mailing address (the officer's mailing address)
3. Any other names the organization uses to do business (DBA name)
4. Be able to answer the following questions:
   - Has your organization terminated or gone out of business?
   - Are your gross receipts normally $50,000 or less (for tax years ending on or after December 31, 2012)?
5. Your Division's mailing address (or P.O. box), city, state and zip code (generally the treasurer's mailing address)
6. Your Division's website address, if one exists for the organization
7. The name and address of one of the Division's principal officers (generally the treasurer, secretary or chair)

You need a **login ID** and password to electronically file your Division's IRS Form 990-N (**e-Postcard**).

- **2012 IRS Form 990-EZ Short Form (Return of Organization Exempt from Income Tax), due on May 15, 2013**

For 2012 tax year, you must file Form 990-EZ, **Schedule A**, and other applicable schedules if your Division's gross receipts for tax year 2012 are normally greater than $50,000 but less than $200,000, and your Division's total assets at the end of the tax year 2012 are less than $500,000. Your Division may be required to file Schedules B, C, E, G, L, and N. Please carefully review the instructions for each of the schedules. Be sure to fully complete Part I through V of Form 990-EZ and attach all of the required schedules.

- **2012 IRS Form 990 (Return of Organization Exempt from Income Tax), due on May 15, 2013**

For 2012 tax year, **Form 990**, **Schedule A**, **Schedule O** and other applicable schedules must be filed if the Division has either (1) gross receipts of $200,000 or more; or (2) total assets of $500,000 or more at the end of the tax year 2012.

Please carefully review the instructions for **Form 990** and for each of the required schedules. Be sure to fully complete Part I through Part XII of **Form 990**, and attach all of the required schedules.

- **2012 IRS Form 8868, Application for Extension of Time to File an Exempt Organization Return, due on May 15, 2013**

If you cannot meet the due date to file your Form 990 or 990-EZ on May 15, 2013, you can request an automatic 3-month extension of time to file by submitting a completed **Form 8868** to the IRS before May 15, 2013 without showing cause.

- **2012 IRS Form 990-T (Exempt Organization Business Income Tax Return), due on May 15, 2013**

In addition to filing **Form 990**, you may be required to file IRS Form 990-T if your Division derived revenues of at least $1,000 from an unrelated business activity. For example, income from the sale of advertising in your Division's newsletters is considered to be unrelated business income.

If you are required to file Form 990-T and you cannot meet the due date, you can request an automatic six-month extension of time to file by submitting a separate **Form 8868** to the IRS before May 15, 2013, accompanied by the full payment of the estimated tax due.

- **2012 IRS Form 1099-MISC Miscellaneous Income**

Tax-exempt organizations which made payments in tax year 2012 of at least $600 or more for services to individuals other than employees are required to report those payments to the IRS on **Form 1099-MISC**, Miscellaneous Income. Examples of such payments are: consulting fees, honoraria, prizes and awards, and stipends.

Form 1099-MISC **Copy B (for Recipient)** is due to the recipients by the due date of **January 31, 2013**. The IRS copy of Form 1099-MISC including Form 1096, Annual Summary and transmittal of US Information Returns, is due by February 28, 2013. If you file electronically the due date is April, 1, 2013.

In order to maintain the group exemption, and for the ACS Tax Office to provide adequate support to ACS Divisions, the ACS Tax Office needs to receive a copy of your Division's 2012 Information Return (Form 990, 990-EZ, or 990-N). Please send the copy by email to: tax@acs.org, or mail the copy to:

ACS Tax Office
Attn: Lisa Wolfinger
American Chemical Society
1155 Sixteenth Street, NW, Room H319
Washington, DC 20036

Please note that submission of your annual report to ACS does not constitute filing of your Information Return with the IRS. The ACS does not include Division finances in its Form 990 tax filing with the IRS.

We have supplied some helpful quick reference links to the 2012 tax forms on the next page. . Some forms are not currently available; please click the link **http://www.irs.gov/formspubs/index.html** for the IRS website, and enter the form number to check for updates.

If you have any questions regarding this information, please do not hesitate to contact me by phone (202.872.6306) or email r_lewis@acs.org.

Quick Reference Links to the IRS Tax Forms:

Form 990-N Instructions

Electronic IRS Form 990-N (e-Postcard) Filing Website

How to Request a Login ID to Electronically File Form 990-N (e-Postcard)

Form 990-EZ

Form 990-EZ Instructions will be released soon. Please click the link **http://www.irs.gov/formspubs/index.html** for the IRS website, and enter "990-EZ Instructions 2012" in the search field to view the link when it becomes available.

Form 990

Form 990 Instructions

Form 990 Instructions will be released soon. Please click the link **http://www.irs.gov/formspubs/index.html** for the IRS website, and enter "990 Instructions 2012" in the search field to view the link when it becomes available.

Schedule A (Form 990 or 990-EZ)

Schedule A (Form 990 or 990-EZ) Instructions

Form 8868 and Instructions

Form 990-T

Form 990-T Instructions

Form 990-T Instructions will be released soon. Please click on the link **http://www.irs.gov/formspubs/index.html** for the IRS website, and enter "990-T" in the search field to view the link when it becomes available.

2012 Form 1099-MISC

Form 1099-MISC Instructions