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## Public Charity - Exemption Application

To be exempt under section 501(c)(3), an organization must file an application for recognition of exemption with the IRS. The law provides limited exceptions to the filing requirement.

The form required to apply for exemption under section 501(c)(3) is [Form 1023](#). Form 1023 has [instructions](#) and checklists to help you provide the information required to process your application. You should also obtain [Notice 1382](#), which supplements the Form 1023 package. The IRS will not process an incomplete application.

See [When to File](#) for an explanation of the deadlines for filing Form 1023.

### Exceptions to Application Requirement

The following organizations are excepted from the exemption application requirement:

- Churches, their integrated auxiliaries, and conventions or associations of churches; and
- An organization that is not a private foundation and the [gross receipts](#) of which in each taxable year are normally not more than \$5,000.

## Gross Receipts Test - Section 501(c)(3) Exemption Application

For purposes of this test, an organization normally does not have more than \$5,000 in annual [gross receipts](#) if--

- During its first tax year the organization received gross receipts of \$7,500 or less,
- During its first two years the organization received a total of \$12,000 or less in gross receipts, and
- If an organization has existed for at least three years, the organization received \$15,000 or less in gross receipts during the immediately preceding two years plus the current year.