

## 990N and 990EZ Tax Filing - Rules and Information

Montana PTA pays File990.org an annual subscription fee so that our local units can file the 990N and/or the 990EZ forms free of charge. File990.org does not differentiate between 990N and 990EZs or number of forms filed so units may submit them for free.

If PTA/PTSA's filed the wrong form for a tax year in which they went over \$50,000 in gross receipts, they can still submit their prior year EZ forms. Having 990Ns submitted prior to the EZ will not cause any issues with the IRS.

**Form 990-N (e-Postcard)** - A tax-exempt organization can file Form 990-N if its gross receipts are normally \$50,000 or less.

**Form 990-EZ (or 990)** - If the organization's gross receipts exceed \$50,000 for the current tax year, it must file Form 990-EZ (or 990) for that year.

The IRS looks at the average of your gross receipts over a three-year period to decide if your receipts are normally \$50,000 or less. The IRS uses the phrase "gross receipts are normally \$50,000 or less" to decide whether a small nonprofit can file the Form 990-N instead of the longer 990EZ.

- You take the average gross receipts for the 3 most recent tax years.
- If that 3-year average is \$50,000 or less, you qualify for the 990-N.
- If that average goes over \$50,000, you must file the 990-EZ (or 990).
- You may file the 990-N if your 3-year average of gross receipts is \$50,000 or less.
- The first year your receipts push that average above \$50,000, you must file 990-EZ for that year.
- But once your receipts clearly go over \$50,000 for the current year, **you move up to the 990-EZ for that filing year.**

**The 990EZ is an itemization of Beginning-of-Year Bank Balance + Revenue - Expenses = End-of-Year Bank Balance. 990EZs for PTAs are usually pretty basic, but it's really a matter of record-keeping that determines how challenging it will be. After your financial review is completed, you'll pull the information from it to complete the 990EZ which will make the filing of the 990EZ much smoother and faster.**

Feel free to contact Michelle or Sherry at Montana PTA at [mtstatepta@gmail.com](mailto:mtstatepta@gmail.com) for additional information and with any questions you may have.