

STANDARDS FOR ELIGIBILITY OF JOURNALISM NON-PROFITS FOR FEDERAL TAX EXEMPTION

(click on any question to visit a guide to that issue)

Do you qualify for a federal tax exemption under Section 501(c)(3) of the Internal Revenue Code?

Do you qualify for a **state tax exemption under state law?**

Are you **organized exclusively for tax-exempt purposes** under the law of your state?

Are you **operated exclusively for tax-exempt purposes?**

Are your **purposes, as stated in your articles of organization**, exclusively tax-exempt?

Are your **granted powers** consistent with your tax-exempt purposes?

Are you operated exclusively for **educational** purposes?

Do your operations **benefit private individuals?**

Are you engaged in **political activity?**

Is the **content** of your publication educational?

Does the **preparation** of your material follow methods generally accepted as educational in character?

Is the **distribution** of the materials necessary or valuable in achieving your educational purposes?

Is the manner in which the distribution is accomplished **distinguishable from ordinary commercial publishing practices?**

Are you **working with a for-profit business** to carry out your tax-exempt purpose?

Is your political activity limited to **non-partisan political research or an insubstantial amount of lobbying?**

Are you a **watchdog over other media or journalism entities?**

Are you **using commercial revenue streams** such as advertising or subscription fees without attempting fundraising?

Are you **generating profits** in a way that indicates a lack of charitable intent?

If you are allowed to use advertising, **is advertising revenue taxable?**

KEY

- Specific question within more general field of inquiry
- - - → Related question, but not necessarily part of field of inquiry
- RED**: issue that might disqualify an applicant from a federal exemption
- YELLOW**: neutral inquiry, although the answer will likely affect eligibility
- GREEN**: special condition that might help an applicant with eligibility
- BLUE**: issue of interest but not relevant to federal exemption eligibility

This chart shows questions that the IRS has considered in past cases when reviewing the eligibility of journalism and publishing non-profits for a tax exemption under Section 501(c)(3) of the Internal Revenue Code. These questions are arranged hierarchically, from most general down to most specific.

This is not a flowchart. Due to the highly fact-specific nature of the IRS review process and the fact that the IRS will balance various factors, it is not possible to break down the agency's analysis into simple yes/no questions. Rather, it shows the relationships between the various questions for which the IRS will attempt to seek answers in the course of its review.