

SECTION 1. PURPOSE

.01 The purpose of this revenue procedure is to update Rev. Proc. 73-29, 1973-2 C.B. 483, which sets forth the return filing requirements for charitable and split-interest trusts.

.02 This revenue procedure sets forth the following changes in filing requirements, effective for taxable years beginning after December 31, 1980:

1 Trusts described in section 4947(a)(1) of the Internal Revenue Code that are treated as private foundations file Form 990-PF. Other section 4947(a)(1) trusts file Form 990 (and Schedule A Form 990). Section 4947(a)(1) trusts do not file Form 5227 or Form 1041-A.

2 Section 664 trusts do not file Form 1041-B, which is discontinued.

3 Foundation managers do not file Form 990-AR, which is discontinued.

.03 Subsequent to the publication of Rev. Proc. 73-29, section 664 trusts, pooled income funds under section 642(c)(5), and all other split-interest trusts described in section 4947(a)(2) were required to file Form 5227. For taxable years ending on or after December 31, 1975, Form 5227 replaced Schedule PF (Form 1041). This revenue procedure incorporates this change.

SEC. 2. BACKGROUND

.01 The charitable trust returns, forms, and schedules (hereinafter referred to as returns) to which this revenue procedure is applicable are the following:

1 Form 990, Return of Organization Exempt from Income Tax.

2 Schedule A (Form 990), Organization Exempt Under 501(c)(3).

3 Form 990-PF, Return of Private Foundation.

4 Form 999-T, Exempt Organization Business Income Tax Return

5 Form 1041, U.S. Fiduciary Income Tax Return.

6 Form 5227, Split-interest Trust Information Return.

7 Form 1041-A, Trust Accumulation of Charitable Amounts

8 Form 4720, Return of Certain Excise Taxes on Charities and Other

Persons Under Chapters 41 and 42 of the Internal Revenue Code.

.02 The charitable and split-interest trusts that file one or more of these returns are:

1 Trusts exempt from income tax under section 501(a) of the Code as organizations described in section 501(c)(3) (hereinafter referred to as exempt charitable trusts).

2 Non-exempt charitable trusts described in section 4947(a)(1) of the Code, including charitable trusts created prior to October 10, 1969, that have not applied to the Internal Revenue Service for recognition as organizations described in section 501(c)(3) (hereinafter referred to as section 4947(a)(1) trusts); and

3 Charitable remainder trusts described in section 664 of the Code, pooled income funds described in section 642(c)(5), and all other section 4947(a)(2) trusts treated as if they were private foundations.

SEC. 3. TABLE OF FILING REQUIREMENTS

The following table shows the filing requirements for these charitable trusts:

KIND OF RETURN

| | 990 | Sch A (990) | 990-PF | 990-T | 1041 | 1041-A | 5227 | 4720 | |
|--|----------|-------------|----------|----------|----------|----------|------|------|----------|
| Exempt charitable trusts that are not private foundations | yes(FNA) | yes(FNA) | | no | yes(FNB) | no | no | no | no |
| Exempt charitable trusts that are private foundations | no | no | yes | yes(FNB) | no | no | no | no | yes(FNA) |
| Charitable trusts (described in section 642(c)(6)) that are treated as taxable private foundations | no | no | yes | no | yes | no | no | no | yes(FNA) |
| 4947(a)(1) trusts that are not treated as private foundations | yes(FNA) | | yes(FNA) | no | no | yes(FNG) | no | no | no |
| 4947(a)(1) trusts that are treated as private foundations | no | no | yes | no | yes(FNG) | no | no | no | yes(FNF) |

| | | | | | | | |
|---|----|----|----|----|----------|-------------|----------|
| Charitable remainder trusts under section 664 | no | no | no | no | yes(FNC) | yes(FND)yes | yes(FNF) |
|---|----|----|----|----|----------|-------------|----------|

| | | | | | | | |
|--|----|----|----|----|-----|----------|------------------|
| Pooled income funds under section 642(c) | no | no | no | no | yes | yes(FND) | yes(FNE)yes(FNF) |
|--|----|----|----|----|-----|----------|------------------|

| | | | | | | | |
|---|----|----|----|----|-----|-------------|----------|
| All other section 4947(a)(2) trusts treated as if they were private foundations | no | no | no | no | yes | yes(FND)yes | yes(FNF) |
|---|----|----|----|----|-----|-------------|----------|

FNA Excluding trusts whose gross receipts normally do not exceed \$25,000 during the taxable year.

FNB But only if the trust has \$1,000 or more of gross income from an unrelated trade or business.

FNC But only if there is unrelated business taxable income (as defined in section 512).

FND But not if all net income is required to be distributed currently to beneficiaries.

FNE Only with respect to amount transferred in trust after May 26, 1969.

FNF If there is liability for a Chapter 42 excise tax (excluding section 4940).

FNG If the trust has zero taxable income under Subtitle A of the Code, Form 990 or Form 990-PF may be used to satisfy the requirements of Filing Form 1041.

SEC. 4. EFFECT ON OTHER REVENUE PROCEDURES

This revenue procedure supersedes Rev. Proc. 73-29.

SEC. 5. EFFECTIVE DATE

.01 Changes in filing requirement set forth in section 1.02 of this revenue procedure are effective for taxable years beginning after December 31, 1980.

.02 Changes in filing requirements discussed in section 1.03 of this revenue procedure are effective for taxable years ending on or after December 31, 1975.