



THE COMMONWEALTH OF MASSACHUSETTS
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MEMORANDUM

TO: Interested persons
FROM: Michael J. Sullivan, Director *MJS 2/27/19*
SUBJECT: Federal and state tax issues for political committees

Political committees in Massachusetts, especially those that are newly organized, should be aware of certain issues relating to tax liability, registration, and disclosure that are summarized below. This memorandum is intended to provide basic information only; those requiring further information or clarification should contact the Internal Revenue Service (IRS), the Massachusetts Department of Revenue (DOR), or a tax professional.

I. Federal Tax ID Number

According to federal tax laws and regulations, a political committee should obtain a separate federal tax identification number (an Employer Identification Number or EIN) in order to open a bank account. An EIN is required even if the committee does not have employees.

How to get a federal tax ID number (EIN):

1. Go to this link: <https://sa2.www4.irs.gov/modiein/individual/index.jsp>.
2. When asked for the type of organization, check the bottom button for "additional" types of organizations.
3. On the next page, if not organizing a ballot question committee, select "Political Organization." Ballot question committees should select "Other Non-Profit/Tax-Exempt Organizations."
4. When asked for the reason for the EIN, select "Banking purposes."
5. The responsible person is an "individual" who should be the treasurer. For purposes of identifying the individual, the individual's social security number may be used.
6. When asked, the person should indicate that he or she is an authorized officer of the committee.
7. For the legal name of the entity, use the committee's name as identified in the committee's statement of organization.



II. Tax Returns

Political committees may be required to file federal and/or state tax returns and report interest income received from bank accounts or any other interest-bearing funds authorized by 970 CMR 2.07(5). For information regarding a political committee's tax liability, if any, or to obtain copies of the appropriate tax forms, candidates and treasurers should contact the IRS or DOR at the numbers or websites listed below. The current tax return form numbers are also listed and may be downloaded from the respective agency's website.

Internal Revenue Service
Form 1120P0L

(877) 829-5500
Website: www.irs.gov/polorgs.

Mass. Department of Revenue
Form 3M

(617) 887-6367
(800) 392-6089
Website: www.mass.gov/dor

Committees should also contact the IRS, DOR, or a tax professional with any questions relating to IRS or DOR forms or notices such as IRS Form W-2 or Form 1099.

III. IRS Notice

Section 6113 of the Internal Revenue Code requires political committees whose gross annual receipts normally exceed \$100,000 to include a special notice on solicitations informing persons being solicited that their contributions are not tax deductible. Committees should contact the IRS for more information.