



## **TAX COMPLIANCE FOR MEMBER CHURCHES, CENTERS AND OTHER MEMBER COMMUNITY AFFILIATES**

October 17, 2011

### **Tax-Exempt Status for U.S. affiliates - Federal Income Tax (IRC §501(c)(3)):**

Centers for Spiritual Living (“CSL”), a newly established Colorado nonprofit corporation which will be the central organization once the President of CSL is elected at the Annual Spiritual Living Convention in New Orleans in February 2012, has filed a Form 1023 Application for Recognition of Exemption with the Internal Revenue Service and anticipates receiving correspondence from the Internal Revenue Service granting tax-exempt status under section 501(c)(3) of the Internal Revenue Code within the next thirty (30) days.

During December of 2011, Centers for Spiritual Living will also be applying for a Group Exemption Letter under IRC §501(c)(3) for its U.S. Member Churches, Centers, and other Member Community Affiliates. A group exemption letter is a ruling or determination letter issued to a central organization, such as Centers for Spiritual Living, recognizing on a group basis the tax-exempt status of the subordinate organizations under IRC §501(c)(3) on whose behalf the central organization has applied for recognition of exemption. It is therefore extremely important for you to return a signed Affiliation Agreement to CSL by December 15, 2011, because to be listed as a community under the Centers for Spiritual Living umbrella IRC §501(c)(3) exemption, the signed Member Community Affiliation Agreement must be received by CSL *no later than* December 15, 2011.

All of the U.S. Member Churches, Centers and other Member Community Affiliates of Centers for Spiritual Living are required to have federal tax-exempt status under IRC §501(c)(3). This can be done by either participating in the Group Exemption Letter of Centers for Spiritual Living (above) or by applying independently for federal tax-exempt status. Additional information about obtaining tax-exempt status under IRC §501(c)(3) for federal income tax purposes is provided below.

### **To Churches and Centers Desiring to Participate in the U.S. Federal Group Exemption:**

If your U.S. Church or Center desires to participate in the Group 501(c)(3) Exemption, the following information is required to be provided to Centers for Spiritual Living by December 15 in order for your Church or Center to be included in the new Group Exemption Letter:

- (a) Legal name of the Church or Center
- (b) Mailing address
- (c) Actual address, if different
- (d) Federal employer identification number (“EIN”). Please note that your Center needs to have its own EIN and should not use the EIN of ICSL, UCSL, or CSL in

communications and/or filings with the Internal Revenue Service, even if your Center is part of the "Group Exemption" of CSL.

**To U.S. Churches and Centers that are already tax-exempt under IRC §501(c)(3) or will be seeking tax-exempt status independently:**

If your Church or Center has already obtained tax-exempt status under IRC §501(c)(3), ***your prior determination letter from the Internal Revenue Service is still valid.*** If your Church or Center does not intend to participate in the Group Exemption Letter of Centers for Spiritual Living, your Church or Center is required to now independently apply for tax-exempt status under IRC §501(c)(3) unless you have already done so. This can be done by filing a Form 1023 Application for Recognition of Exemption with the Internal Revenue Service. It is important to note that all member Churches, Centers, and Member Community Affiliates of Centers for Spiritual Living are required to be recognized as tax-exempt organizations under IRC §501(c)(3) under the Member Community Affiliation Agreement, either as part of the Group Exemption of CSL, or by having on record a separately-obtained determination letter.

**Tax-Exempt Status for State Income Tax Purposes in the U.S.:**

**Each state (or territory) has different rules and requirements for obtaining tax-exempt status. It is extremely important to understand that the Group Exemption Letter of Centers for Spiritual Living is a federal exemption from taxation and is not always applicable for state income tax purposes.** Please note that your Church or Center is not automatically exempt from state taxation and that your Church or Center will need to comply with the law of its state in order to obtain an exemption from state income tax. Please visit our website at [www.csintegrationdocs.org](http://www.csintegrationdocs.org) for additional information about how to obtain a state exemption from taxation for your Church or Center.

**Non-U.S. Affiliates:**

Local laws apply to all Non-U.S. affiliates of Centers for Spiritual Living. Therefore, all of the non-U.S. affiliates need to consult with local counsel about the applicable tax laws of their particular jurisdiction as such laws apply to churches, centers and religious organizations.

If you have any questions, please do not hesitate to contact:

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