



Community and Economic DEVELOPMENT

Federal 501(c)(3) Requirements vs. Louisiana Nonprofit Incorporation Requirements

This document summarizes the key requirements imposed by the federal government (through the IRS) to obtain 501(c)(3) tax-exempt status that are not required simply to form a nonprofit corporation with the Louisiana Secretary of State.

FEDERAL IRS REQUIREMENT	REQUIRED BY LOUISIANA SOS TO INCORPORATE A NONPROFIT?	EXPLANATION
Must be organized exclusively for exempt purposes	No	The IRS limits 501(c)(3) organizations to specific exempt purposes such as charitable, religious, educational, or scientific purposes.
Organizational test language in governing documents	Partially / not specifically	The IRS requires specific clauses in the articles of incorporation, including exempt purpose and dissolution clauses.
Dissolution clause dedicating assets to another 501(c)(3) or government entity	No	The IRS requires nonprofit assets to remain dedicated to charitable purposes upon dissolution.
Operational test	No	The IRS evaluates how the organization actually operates to ensure activities further exempt purposes.
No private inurement/private benefit	No	IRS rules prohibit insiders from improperly benefiting from nonprofit earnings.



FEDERAL IRS REQUIREMENT	REQUIRED BY LOUISIANA SOS TO INCORPORATE A NONPROFIT?	EXPLANATION
Restrictions on lobbying and political campaign activity	No	501(c)(3) organizations may not participate in political campaigns and may only conduct limited lobbying.
Apply to IRS using Form 1023 or 1023-EZ	No	Federal tax exemption requires a separate IRS application and approval process.
Obtain an EIN from the IRS	Not specifically	An EIN is generally required for tax administration and banking purposes.
Annual federal filings (Form 990 series)	No	Most tax-exempt organizations must file annual informational returns with the IRS.
Public disclosure requirements	No	Federal law requires certain IRS filings to be publicly available.
Must avoid substantial non-exempt activities	No	The IRS reviews whether non-charitable activities become substantial enough to jeopardize exemption.
User fees for exemption application	No	IRS charges filing fees for exemption applications.

Important Distinction

A Louisiana nonprofit corporation is not automatically a 501(c)(3). Organizations must separately apply to the IRS for federal tax-exempt status.

Louisiana Generally Requires



- **Articles of incorporation**
- **Registered agent**
- **Corporate name**
- **Initial directors/incorporators**
- **Filing fees**
- **Compliance with Louisiana nonprofit corporation law**

Credible Sources:

- **IRS – Exemption Requirements for 501(c)(3) Organizations:** <https://www.irs.gov/charities-non-profits/charitable-organizations/exemption-requirements-501c3-organizations>
- **IRS – Life Cycle of a Public Charity:** <https://www.irs.gov/charities-non-profits/charitable-organizations/life-cycle-of-a-public-charity>
- **IRS – Applying for Tax Exempt Status:** <https://www.irs.gov/charities-non-profits/application-for-recognition-of-exemption>
- **IRS – Instructions for Form 1023:** <https://www.irs.gov/forms-pubs/about-form-1023>
- **IRS Publication 557 – Tax-Exempt Status for Your Organization:** <https://www.irs.gov/forms-pubs/about-publication-557>
- **IRS – Political Campaign Intervention Prohibition for 501(c)(3) Organizations:** <https://www.irs.gov/newsroom/charities-churches-and-politics>
- **IRS – Annual Filing and Forms 990 Requirements:** <https://www.irs.gov/charities-non-profits/annual-exempt-organization-return-who-must-file>
- **Louisiana Secretary of State – Nonprofit Corporation Information:** <https://www.sos.la.gov/BusinessServices/StartABusiness/Pages/NonprofitCorporation.aspx>
- **Louisiana Nonprofit Corporation Law:** <https://legis.la.gov/Legis/Law.aspx?d=76739>
- **Louisiana Secretary of State – File Business Documents:** <https://geauxbiz.sos.la.gov/>



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