

**SUMMARY TABLE OF TYPES AND TAX TREATMENT  
OF SECTION 501(C) ORGANIZATIONS**

Prepared by the Staff of the  
**JOINT COMMITTEE ON TAXATION**



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## Types and Tax Treatment of Section 501(c) Organizations

| Section of 1986 Code | Description of Organization                  | Year Exemption was Introduced | General Nature of Activities   | Subject to UBIT | Taxed on Investment Income   | Contributions Generally Deductible as Charitable Contributions | Subject to Private Inurement Restriction | Required to File Exemption Application  | Number of Entities on Master File in 2004 |
|----------------------|--|-------------------------------|--|-----------------|--|--|--|---|---|
| 501(c)(1)            | Corporations organized under Act of Congress | 1934                          | U.S. instrumentality   | No              | Generally No   | Only if exclusively for public purposes                        | No                                       | No  | 116                                       |
| 501(c)(2)            | Title holding corporations                   | 1916                          | Holding title to property for another exempt organization              | Yes             | Generally No   | No   | No                                       | Optional  | 7144                                      |
| 501(c)(3)            | Charitable organizations                     | 1894                          | Religious, charitable, scientific, educational, etc.                   | Yes             | Generally No (but private foundations are subject to tax on net investment income) | Yes  | Yes                                      | Yes (except for certain organizations including churches and small organizations) | 1,010,365                                 |
| 501(c)(4)            | Social welfare organizations                 | 1913                          | Promoting the common good and general welfare of people of a community | Yes             | Generally No   | No   | Yes                                      | Optional  | 138,193                                   |

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| 501(c)(5)            | Labor, agricultural, and horticultural organizations             | 1909                          | Betterment of the conditions of those engaged in labor, education, or horticulture     | Yes             | Generally No               | No   | Yes                                      | Optional                               | 62,561                                    |
| 501(c)(6)            | Business leagues, chambers of commerce, trade associations, etc. | 1913                          | Improvement of conditions in one or more lines of business                             | Yes             | Generally No               | No   | Yes                                      | Optional                               | 86,054                                    |
| 501(c)(7)            | Social clubs   | 1916                          | Social or recreational   | Yes             | Yes                        | No   | Yes                                      | Optional                               | 70,422                                    |
| 501(c)(8)            | Fraternal beneficiary societies                                  | 1894                          | Fraternal activities and payment of life, sick, accident, or other benefits to members | Yes             | Generally No               | Only if used for charitable purposes                           | No                                       | Optional                               | 69,798                                    |

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| 501(c)(9)            | Voluntary employees' beneficiary associations                    | 1928                          | Provides for payment of life, sick, accident, or other benefits to members or dependents, etc. | Yes             | Yes                        | No  | Yes (except for payments of life, sick, accident or other benefits to members) | Yes                                    | 12,866                                    |
| 501(c)(10)           | Domestic fraternal societies                                     | 1969                          | Fraternal activities   | Yes             | Generally No               | Only if used for charitable purposes  | No   | Optional                               | 21,320                                    |
| 501(c)(11)           | Teachers' retirement fund associations                           | 1928                          | Payment of retirement benefits to teachers   | Yes             | Generally No               | No  | Yes, generally   | Optional                               | 16  |
| 501(c)(12)           | Benevolent life insurance associations, rural cooperatives, etc. | 1916                          | Activities of a mutually beneficial nature   | Yes             | Generally No               | No  | No   | Optional                               | 6,716                                     |
| 501(c)(13)           | Cemetery companies   | 1913                          | Operation of cemetery company or burial and cremation  | Yes             | Generally No               | Only under certain circumstances (but not for estate and gift tax purposes) | Yes  | Optional                               | 10,728                                    |

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| 501(c)(14)                  | State credit unions and mutual reserve funds | 1951                                 | Operating credit union for mutual purposes                                     | Yes                    | Generally No                      | No  | No  | Optional                                      | 4,289  |
| 501(c)(15)                  | Certain small insurance companies            | 1916                                 | Providing insurance to members at cost   | Yes                    | Generally No                      | No  | No  | Optional                                      | 1,988  |
| 501(c)(16)                  | Crop-financing corporations                  | 1928                                 | Financing of crops for section 521 farmers' cooperative marketing associations | Yes                    | Generally No                      | No  | No  | Optional                                      | 21   |
| 501(c)(17)                  | Supplemental unemployment benefit trusts     | 1960                                 | Payment of supplemental unemployment compensation benefits                     | Yes                    | Yes                               | No  | No  | Yes   | 462  |
| 501(c)(18)                  | Funded pension trusts                        | 1969                                 | Trust that forms part of a pension plan funded only by employee contributions  | Yes                    | Generally No                      | No  | No  | Optional                                      | 2  |

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| 501(c)(19)  | Veterans' organizations              | 1972                          | Organization of veterans; provision of insurance and other benefits   | Yes (but certain insurance premium income excluded from UBIT) | Generally No               | Limited to certain organizations of war veterans for income and gift taxes and to organizations incorporated by Act of Congress for estate tax | Yes                                      | Optional                               | 36,141                                    |
| 501(c)(20)<br>(expired for taxable years beginning after June 30, 1992) | Qualified group legal services plans | 1976                          | Provision of legal services benefits                                  | Yes   | Yes                        | No   | No                                       | Yes                                    | n.a.                                      |
| 501(c)(21)  | Black lung benefits trusts           | 1977                          | Provision of black lung benefits                                      | Yes   | Generally No               | No   | No                                       | Optional                               | 33  |
| 501(c)(22)  | Multiemployer Plan trusts            | 1980                          | Payment of withdrawal liability and withdrawal-type payments to plans | Yes   | Generally No               | No   | No                                       | Optional                               | 0   |

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| 501(c)(23)                  | Pre-1880 veterans' organizations         | 1982                                 | Organization of veterans; provision of insurance and other benefits   | Yes                    | Generally No                      | Limited to certain organizations of war veterans for income gift taxes and to organizations incorporated by Act of Congress for estate tax | No  | Optional                                      | 2  |
| 501(c)(24)                  | Employee Trusts                          | 1986                                 | Used in efforts to recover from an employer that terminated its pension plan assets sufficient to provide certain plan benefits | Yes                    | Generally No                      | No   | No  | Optional                                      | 4  |
| 501(c)(25)                  | Multi parent title holding organizations | 1986                                 | Hold title to assets for multiple parent exempt organizations   | Yes                    | Generally No                      | No   | No  | Optional                                      | 1,285  |

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| 501(c)(26)                  | High-risk individuals health care coverage organizations       | 1996                                 | Coverage of medical care to certain high-risk individuals  | Yes                    | Generally No                      | No  | Yes   | Optional                                      | 11   |
| 501(c)(27)                  | State-sponsored workmens' compensation insurance organizations | 1996                                 | Established by a State to reimburse members for losses arising under the workmens' compensation acts | Yes                    | Generally No                      | No  | No  | Optional                                      | 9  |
| 501(c)(28)                  | The National Railroad Investment Trust                         | 2001                                 | Manage and invest certain assets of Railroad Retirement System                                       | Yes                    | Generally No                      | No  | No  | Not determined                                | n.a.   |