

Comparing Common Types of 501(c) Exempt Status

501(c)(3)	501(c)(4)	501(c)(6)	501(c)(7)
Organizational requirement	No requirement (or less stringent)	No requirement (or less stringent)	No requirement (or less stringent)
Assets must be dedicated to charitable purposes	No requirement to dedicate assets	No requirement to dedicate assets	No requirement to dedicate assets
Social/recreational activities must be insubstantial	Social/recreational activity may be anything less than "primary"	Social/recreational activity may be anything less than "primary"	Social/recreational activity must be primary; other activities must be less than primary
Legislative activity must be insubstantial, or, if election made, less than % limits; excess lobbying may lead to penalties/revocation of exempt status	No limit on legislative activity as long as it furthers the exempt purpose	No limit on legislative activity as long as it furthers the exempt purpose; legislative expenditures may limit the deductibility of dues	No limit on legislative activity as long as it furthers the exempt purpose
Absolute prohibition against political activity	Political activity permitted, but taxed	Political activity permitted, but taxed	Political activity permitted, but taxed
Must serve public purposes	"Community" purposes; narrower scope than 501(c)(3) is OK	Serves the business purposes of the industry	Serves the social and recreational purposes of members
Donations deductible under §170 by donors who itemize charitable contributions on their tax returns	Donations not deductible under §170; businesses sometimes deduct as promotional expense	Donations not §170 deductible; some payments may deductible as business expense	Donations are not deductible as §170 charitable contributions
Eligible for low cost non-profit bulk mailing permit	Not eligible for lowest bulk mail rates	Not eligible for lowest bulk mail rates	Not eligible for lowest bulk mail rates
Must take care to generate enough public support if public charity status is desired	Not an issue under 501(c)(4)	Not an issue under 501(c)(6)	Not an issue under 501(c)(7) Income from other than members must be limited.