



## Robert W. Wood

THE TAX LAWYER

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### Think You're A Slave To Taxes? US Slavery Museum Shackled By IRS!

The [U.S. Slavery Museum](#) in Fredericksburg, Virginia is in a world of hurt with the IRS. It's in [Chapter 11 bankruptcy](#) while it reorganizes its \$7 million debt. See [National Slavery Museum Files for Bankruptcy](#). In the meantime, it got what may amount to a death sentence: revocation of its tax-exempt status as reported in the [Washington Post](#).

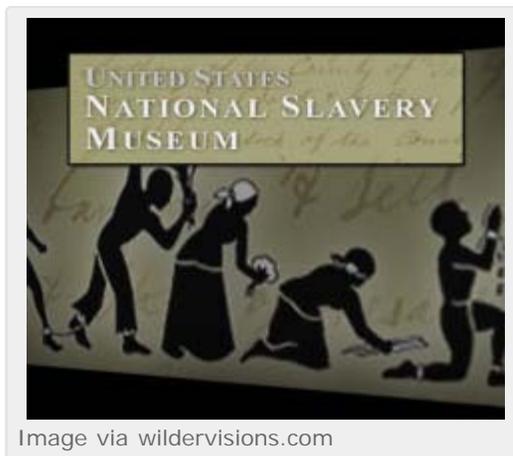


Image via wildervisions.com

A charity gets a formal nod from the IRS that it is exempt from taxes in a [tax exemption letter or ruling](#). This important document means the charity can count on **guaranteeing** donors a tax deduction when they make contributions. Do people actually care? You bet.

You can't deduct contributions to individuals, political organizations or candidates. But qualified charities are different. Whenever you donate to a charity, make sure the organization is qualified. Review the IRS list of charities to verify if a particular organization is on the list. See [Search for Charities](#) or [Publication 78](#), Cumulative List of Organizations.

Most people believe charities wouldn't survive without it. That's one reason President Obama suggests that whatever we do with our tax system, charitable contribution deductions will remain. The U.S. Slavery Museum received its tax exemption letter, but then fell behind on its

annual IRS filings. Even though an exempt charity doesn't have to **pay** taxes it still has to **file** return annually with the IRS.

In tax matters, once the dominoes start to fall it can be difficult to pick them up again. After all, we normally file tax returns long after a year has ended. By the time the IRS gets around to auditing, it is often several years later. Most tax problems tend to snowball.

Since revoking a tax exemption is a severe remedy, the IRS sends notices and tries to get organizations back on track. See [Got A Tax Notice? Here's What To Do](#). The IRS revokes a nonprofit's tax-exempt status if it fails to file for three consecutive years. The U.S. Slavery Museum last filed a [federal return](#) in 2007, but may be taking steps to address this. The IRS only notes that an organization that loses its coveted tax-exempt status may apply to regain it.

For more, see:

[Saving Taxes by Giving to Charity](#)

[IRS: FAQs About Applying For Tax Exemption](#)

[Tax Basics For Exempt Organizations](#)

[IRS Stirs The Kabbalah Pot](#)

[Burn Baby Burn \(But Don't Deduct\)](#)

[Christian Crusade For Tax Benefits](#)

[Giving To Charity? Great. Staying Off IRS Radar? Priceless.](#)

[IRS vs. Scientology: Here We Go Again](#)

[IRS Still Fighting Conservation Tax Breaks](#)

*Robert W. Wood practices law with [Wood LLP](#), in San Francisco. The author of more than 30 books, including *Taxation of Damage Awards & Settlement Payments* (4th Ed. 2009 with 2012 Supplement, [Tax Institute](#)), he can be reached at [Wood@WoodLLP.com](mailto:Wood@WoodLLP.com). This discussion is not intended as legal advice, and cannot be relied upon for any purpose without the services of a qualified professional.*