



# OBTAINING AN EMPLOYER IDENTIFICATION NUMBER FOR STATE/LOCAL PACS

In order to avoid potential tax liability, labor unions should operate their PACs not only out of separate bank accounts but also using separate Employer Identification Numbers (EIN) from the Internal Revenue Service.

If you are currently operating your PAC under the local's EIN, you will need to either change over the PAC bank account to the new EIN or open a new bank account under the new PAC EIN. State or local campaign finance law may require you to amend your registration paperwork when the bank account number changes.

A guide to obtaining an EIN for a PAC is below, with the application found at: <https://www.irs.gov/businesses/small-businesses-self-employed/apply-for-an-employer-identification-number-ein-online>

You will need the following information to apply for the EIN: the name, street address, phone number, and social security number (not publicly disclosed) for one of the PAC's officers or directors.

## **TYPE OF ENTITY:**

- 1. What type of legal structure is applying for an EIN?** Choose "View Additional Types, Including Tax-Exempt and Governmental Organizations"
- 2. Additional Types:** Choose "Political Organization"
- 3. Please confirm your selection.** Select "Continue" on the next screen
- 4. Why is the Political Organization requesting an EIN?** Select the applicable entry:
  - If opening a new PAC, select "Started a new business"
  - If changing the EIN of the bank account, or opening a new bank account, select "Banking purposes"

## **RESPONSIBLE PERSON:**

- 5. Who is the Responsible Party of the Political Organization?** Select "Individual"
- 6. Responsible Party.** Enter the name and social security number of an officer or board member of the PAC, then choose "I am a responsible and duly authorized officer or a board member having knowledge of this organization's affairs." in the affiliate's membership, or can present proof of other means sufficient to repay the loan. The local affiliate must also provide a match equal to fifty percent (50%) of the value of the loan.

## **ENTITY INFORMATION:**

- 7. Political Organization Information:**
  - Enter the street address and phone number of the PAC, then continue to the next page.
  - Enter the name of the PAC.

- c. Enter the start date of the PAC, which would be the month that the EIN is applied for. Enter the closing month of the tax year.
  - d. Select “Yes” for “Form 8871 under Sec 527 filer?” and enter the state where your local has its PAC.
- 8. Select whether the PAC will have employees (likely “No”)
  - 9. Select “Receive Letter Online”

**SUMMARY PAGE:**

- 10. Before the EIN application is submitted, a summary page will display the information that you entered.
- 11. Save this summary page and keep it with the PAC’s records.
- 12. Select “Submit” once to file the form.