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# Political Law Update

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If you have any questions regarding the matters discussed in this memorandum, please contact the following attorneys or call your regular Skadden contact.

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## Tax Day Alert: Increased Interest on Deposits Will Cause More PACs To Owe Federal Income Tax

As interest rates have risen, more PACs are triggering federal income tax requirements stemming from interest they receive. Political organizations, including PACs, with more than \$100 in taxable interest or investment income in a calendar year must file Form 1120-POL with the Internal Revenue Service and pay taxes on that income. Only such taxable income is reported on Form 1120-POL.

If required, Form 1120-POL is due the 15th day of the fourth month after the end of the PAC's fiscal year. Given that PACs usually use a calendar year as their fiscal year, the deadline is April 15 for most PACs.

Political organizations may under certain circumstances have other tax filing requirements such as IRS Forms 8871, 8872 and 990, but those are informational and do not require the payment of income taxes such as the 1120-POL.

Please contact us with any questions or to assist with completing your filings.

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