

Comparison of 501(c)(3) & 501(c)(6)	
501(c)(3)	501(c)(6)
Assets must be dedicated to charitable purposes	No requirement to dedicate assets
Social activities must be insubstantial	Social activity may be anything less than "primary"
Legislative activity must be insubstantial, or <20% if election made	No limit on legislative activity as long as it furthers the exempt purpose; legislative expenditures may limit the deductibility of dues
Absolute prohibition against political activity (lobbying)	Political activity permitted, but taxed (lobbying)
Serves public purposes	Can serve the business purposes of the members
Donations are deductible as charitable contributions by donors on their tax returns	Donations not deductible as charitable contributions - businesses sometimes deduct as advertising; dues may be deductible as business expense
Eligible for low cost non-profit bulk mailing permit	Not eligible for lowest bulk mail rates
Must take care to generate enough public support to avoid classification as a private foundation	Not an issue under (c)(6) - it's okay if there is not diversity of fields
Exempt from Federal income tax unless the organization has unrelated business income	Exempt from Federal income tax unless the organization has unrelated business income
Cannot give funding to commercial projects / businesses (scholarships at the Summit)	Cannot give funding to commercial projects / businesses (scholarships at the Summit)
Resources: http://www.irs.gov/pub/irs-pdf/k1024.pdf http://www.irs.gov/pub/irs-pdf/p557.pdf	