

# EIN Registration

*Federal Employer Identification Number  
otherwise known as your “tax license.”*

All business entities in the U.S. are identified for tax purposes by this serial number. The number is assigned by the Internal Revenue Service, but is now also used by many states in lieu of the sales tax licenses previously issued. Thus *EIN* has come to be a misnomer; it’s neither an employer number nor a tax license number per se.

## Why Register?

Your organization may never employ anybody, nor sell anything subject to the collection of sales tax. Moreover, all purchases by nonprofits are sales tax exempt in most states, so why would you need an *EIN* number? Some important reasons are:

- Your organization will need bank accounts, at least for deposits and checking. When opening such accounts on behalf of the corporation, your bank will require you to provide this ID number.
- You will have to file a tax return with the IRS, and the number is required on such filings.
- In order to take advantage of your exemption from sales taxes, sellers will usually require that you provide them with a certification that you are indeed a legitimate nonprofit corporation. You will need an EIN number for such certifications.
- If your mailing list ever exceeds more than a few hundred people, you will want to take advantage of bulk nonprofit rates. Before issuing you a permit, the USPS will require proof that you are a registered nonprofit organization.
- If you decide to apply for grants, similar proof is also usually required.