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CAMBRIDGE CITY COUNCIL

CITY HALL, CAMBRIDGE, MASSACHUSETTS 02139

(617) 349-4280

FAX (617) 349-4287

Timothy J. Toomey, Jr.
City Councillor

November 29, 2000

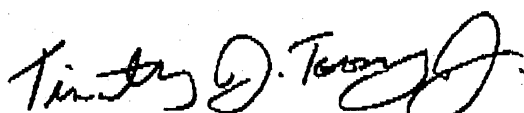
Margaret Drury, City Clerk
Cambridge City Hall
795 Massachusetts Avenue
Cambridge, MA 02139

Dear Madam Clerk:

I have enclosed a copy of a notice issued by the Office of Campaign and Political Finance. This notice pertains to a new federal reporting requirement for many political candidate committees, PACs, and peoples committees. Would you kindly place this notice on the agenda for the December 4, 2000, City Council meeting.

Thank you for your attention to this matter.

Sincerely yours,


Timothy J. Toomey, Jr.

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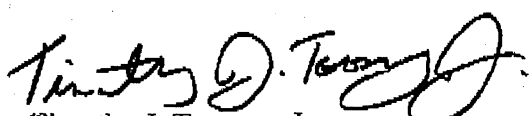
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IMPORTANT NOTICE FOR CANDIDATES AND COMMITTEES

On July 1, 2000, President Clinton signed Public Law 106-230, which amended section 527 of the Internal Revenue Code. The amendment creates new federal reporting requirements for many political committees organized with OCPF or local election officials.

For section 527 purposes, a "political organization" is defined, in part, as any political committee organized primarily for the purpose of directly or indirectly receiving contributions or making expenditures to influence the nomination or election of any individual to any federal, state, or local public office. It is our understanding that ALL candidate committees, party committees, PACs and people's committees must notify the IRS, electronically and in writing, unless a committee "reasonably expects its annual gross receipts to always be less than \$25,000." Existing committees should file Form 8871 with the IRS immediately. New committees must notify the IRS within 24 hours of their organization. According to the IRS, ballot question committees generally are not Section 527 organizations and therefore do not have to file Form 8871.

In addition, PACs and people's committees that reasonably anticipate gross receipts of \$25,000 or more must file periodic disclosure reports with the IRS, on Form 8872. State and local candidate committees and political party committees are not required to file Form 8872. Finally, it is our understanding that political committees that receive interest income or that actually receive \$25,000 or more in gross receipts must also file Form 1120-POL and Form 990.

For further information and copies of the two reporting forms, see the IRS web site at <http://www.irs.gov/businfo/eo/pol-file.html> or call IRS Customer Service at 1-877-829-5500 (8:30 a.m. to 9:30 p.m.).

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**Communications and Reports
from City Officers #2**

A communication was received from Councillor Timothy J. Toomey, Jr., transmitting a communication pertaining to a new federal reporting requirement for many political candidate committees, PACs, and people's committees.

In City Council December 4, 2000

PLACED ON FILE