

**501(c) 3**

vs.

**501 (c) 6**

Exempt from federal income tax as an organization that is structured and operated exclusively for religious, charitable, scientific, literary or educational purposes, for the prevention of cruelty to animals or children, or for the purpose of testing consumer products for public safety, or to foster national or international sports competition.	Exempt from federal income tax as a nonprofit business league*, chamber of commerce, real estate board, board of trade, or professional football league. (Note: This does not apply to state sales tax.)
For the benefit of the public.	For the benefit of the organizations' members.
The articles of the organization must limit the organization's purpose to its specified cause, and may not expressly engage in activities that are not in furtherance of its specified purpose.	It must be an association of persons having some common business interest and its purpose must be to promote this common business interest. It must be a membership organization and having a meaningful extent of membership support.
The organization will have no specific ownership. All profits are reinvested in the organization.	The organization will have no specific ownership and are generally controlled by members, who do not receive stock. All profits are reinvested in the organization.
No part of the organization's net earnings will inure to the benefit of any private shareholder or individual and it may not be organized for profit or to engage in for-profit activities.	No part of the organization's net earnings will inure to the benefit of any private shareholder or individual and it may not be organized for profit or to engage in for-profit activities.
Assets of an organization must be permanently dedicated to its exempt purpose.	The organization must be primarily supported by membership dues and other income from activities substantially related to its exempt purpose.
Allows for tax deductible contributions and matching gifts.	Contributions are not tax deductible by individuals (although businesses can deduct contributions as a business expense.)
Eligible for Foundation and other grants.	Not eligible for Federal grants, but eligible for Foundation grants.
The organization is restricted in the amount of political and legislative (lobbying) activities it conducts. It must not, as any substantial part of its activities, attempt to influence legislation by propaganda or otherwise (except for certain lobbying activities.)	May engage in any amount of legislative activity germane to the common business interests of the organizations' members. Lobbying should not be the organization's major focus.

\* *Business League: An association of persons having some common business interest, the purpose of which is to promote such common interest and not to engage in a regular business of a kind ordinarily carried out for profit. Trade associations and professional associations are considered to be business leagues.*