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Return of Organization Exempt From Income Tax

2005

Department of the Treasury
Internal Revenue Service

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code
(except black lung benefit trust or private foundation)

Open to Public Inspection

The organization may have to use a copy of this return to satisfy state reporting requirements

A For the 2005 calendar year, or tax year beginning _____, **2005**, and ending _____

B Check if applicable:
 Address change
 Name change
 Initial return
 Final return
 Amended return
 Application pending

C Name of organization
THIRD WAY
 Number and street (or P O box if mail is not delivered to street addr) Room/suite
2000 L STREET, NW 702
 City, town or country State ZIP code + 4
WASHINGTON DC 20036-4915

D Employer Identification Number
20-1734070

E Telephone number
(202) 775-3768

F Accounting method: Cash Accrual
 Other (specify) _____

G Web site: **Third-Way.Com**

J Organization type (check only one) 501(c) **4** (insert no) 4947(a)(1) or 527

K Check here if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS; but if the organization chooses to file a return, be sure to file a complete return. **Some states require a complete return.**

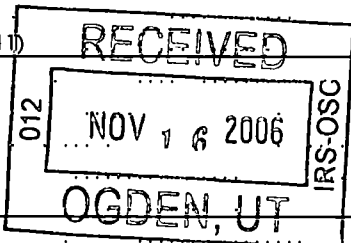
L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 **2,062,255.**

H and I are not applicable to section 527 organizations
H (a) Is this a group return for affiliates? Yes No
H (b) If 'Yes,' enter number of affiliates **4**
H (c) Are all affiliates included? Yes No (If 'No,' attach a list. See instructions.)
H (d) Is this a separate return filed by an organization covered by a group ruling? Yes No
I Group Exemption Number _____
M Check if the organization is not required to attach Schedule B (Form 990, 990-EZ, or 990-PF)

Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See Instructions)

1	Contributions, gifts, grants, and similar amounts received:			
a	Direct public support	1 a	2,033,255.	
b	Indirect public support	1 b		
c	Government contributions (grants)	1 c		
d	Total (add lines 1a through 1c) (cash \$ _____ noncash \$ _____)	1 d	2,033,255.	
2	Program service revenue including government fees and contracts (from Part VII, line 93)	2	29,000.	
3	Membership dues and assessments	3		
4	Interest on savings and temporary cash investments	4		
5	Dividends and interest from securities	5		
6a	Gross rents	6 a		
b	Less: rental expenses	6 b		
c	Net rental income or (loss) (subtract line 6b from line 6a)	6 c		
7	Other investment income (describe _____)	7		
8a	Gross amount from sales of assets other than inventory	(A) Securities	(B) Other	
b	Less: cost or other basis and sales expenses	8 a		
c	Gain or (loss) (attach schedule)	8 b		
d	Net gain or (loss) (combine line 8c, columns (A) and (B))	8 c		
8 d		8 d		
9	Special events and activities (attach schedule) If any amount is from gaming, check here <input type="checkbox"/>			
a	Gross revenue (not including \$ _____ of contributions reported on line 1a)	9 a		
b	Less: direct expenses other than fundraising expenses	9 b		
c	Net income or (loss) from special events (subtract line 9b from line 9a)	9 c		
10a	Gross sales of inventory, less returns and allowances	10 a		
b	Less: cost of goods sold	10 b		
c	Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10 c		
11	Other revenue (from Part VII, line 103)	11		
12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12	2,062,255.	
13	Program services (from line 44, column (B))	13	750,879.	
14	Management and general (from line 44, column (C))	14	174,011.	
15	Fundraising (from line 44, column (D))	15	346,414.	
16	Payments to affiliates (attach schedule)	16		
17	Total expenses (add lines 16 and 44, column (A))	17	1,271,304.	
18	Excess or (deficit) for the year (subtract line 17 from line 12)	18	790,951.	
19	Net assets or fund balances at beginning of year (from line 73, column (A))	19	529,523.	
20	Other changes in net assets or fund balances (attach explanation)	20		
21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21	1,320,474.	



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Part II Statement of Functional Expenses All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others.

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22 Grants and allocations (att sch) (cash \$ _____ non-cash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	22				
23 Specific assistance to individuals (att sch)	23				
24 Benefits paid to or for members (att sch)	24				
25 Compensation of officers, directors, etc	25	358,691.	212,868.	61,047.	84,776.
26 Other salaries and wages	26	188,940.	160,423.	26,231.	2,286.
27 Pension plan contributions	27				
28 Other employee benefits	28	21,853.	14,861.	3,496.	3,496.
29 Payroll taxes	29	38,183.	25,965.	6,109.	6,109.
30 Professional fundraising fees	30	173,478.	0.	0.	173,478.
31 Accounting fees	31	875.	0.	875.	0.
32 Legal fees	32	35,000.	0.	35,000.	0.
33 Supplies	33	23,702.	19,165.	4,495.	42.
34 Telephone	34	16,973.	13,031.	3,215.	727.
35 Postage and shipping	35	7,905.	3,973.	932.	3,000.
36 Occupancy	36	47,393.	36,493.	9,005.	1,895.
37 Equipment rental and maintenance	37	3,747.	2,885.	712.	150.
38 Printing and publications	38	33,217.	25,577.	6,311.	1,329.
39 Travel	39	9,130.	0.	0.	9,130.
40 Conferences, conventions, and meetings	40	35,704.	35,704.	0.	0.
41 Interest	41				
42 Depreciation, depletion, etc (attach schedule)	42	2,178.	1,677.	414.	87.
43 Other expenses not covered above (itemize)					
a <u>INTERNS/FELLOWS</u>	43a	49,943.	49,943.	0.	0.
b <u>Amortization</u>	43b	8,338.	6,421.	1,584.	333.
c <u>PROFESSIONAL SERVICES</u>	43c	52,770.	52,770.	0.	0.
d <u>REFERENCE MATERIALS</u>	43d	8,857.	6,820.	1,683.	354.
e <u>BANK CHARGES</u>	43e	173.	0.	173.	0.
f <u>COMMUNICATION & OUTREACH</u>	43f	35,368.	27,233.	6,720.	1,415.
g See Other Expenses Stmt	43g	118,886.	55,070.	6,009.	57,807.
44 Total functional expenses. Add lines 22 through 43 (Organizations completing columns (B) - (D), carry these totals to lines 13 - 15)	44	1,271,304.	750,879.	174,011.	346,414.

Joint Costs. Check if you are following SOP 98-2.

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No
 If 'Yes,' enter (i) the aggregate amount of these joint costs \$ _____; (ii) the amount allocated to Program services \$ _____, (iii) the amount allocated to Management and general \$ _____; and (iv) the amount allocated to Fundraising \$ _____

Part III Statement of Program Service Accomplishments

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

What is the organization's primary exempt purpose? All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)	Program Service Expenses (Required for 501(c)(3) and (4) organizations and 4947(a)(1) trusts, but optional for others.)
a <u>The Middle Class Project: See Explanation Attached</u> ----- ----- ----- ----- ----- (Grants and allocations \$ 0.) If this amount includes foreign grants, check here <input type="checkbox"/>	224,693.
b <u>The Culture Project: See Explanation Attached</u> ----- ----- ----- ----- ----- (Grants and allocations \$ 0.) If this amount includes foreign grants, check here <input type="checkbox"/>	218,531.
c <u>The National Security Project: See Explanation Attached</u> ----- ----- ----- ----- ----- (Grants and allocations \$ 0.) If this amount includes foreign grants, check here <input type="checkbox"/>	307,655.
d ----- ----- ----- ----- ----- (Grants and allocations \$) If this amount includes foreign grants, check here <input type="checkbox"/>	
e Other program services (Grants and allocations \$) If this amount includes foreign grants, check here <input type="checkbox"/>	
f Total of Program Service Expenses (should equal line 44, column (B), Program services)	750,879.

Part IV Balance Sheets (See Instructions)

		(A) Beginning of year		(B) End of year	
Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only					
ASSETS	45	Cash – non-interest-bearing	521,717.	45	1,256,134.
	46	Savings and temporary cash investments		46	20,000.
	47a	Accounts receivable			
		b Less: allowance for doubtful accounts		47c	
	48a	Pledges receivable			
		b Less: allowance for doubtful accounts		48c	
	49	Grants receivable		49	
	50	Receivables from officers, directors, trustees, and key employees (attach schedule)		50	
	51a	Other notes & loans receivable (attach sch)	20,833.		
		b Less: allowance for doubtful accounts		51c	20,833.
	52	Inventories for sale or use		52	
	53	Prepaid expenses and deferred charges		53	
	54	Investments – securities (attach schedule)	<input type="checkbox"/> Cost <input type="checkbox"/> FMV	54	
	55a	Investments – land, buildings, & equipment: basis			
		b Less: accumulated depreciation (attach schedule)		55c	
56	Investments – other (attach schedule)		56		
57a	Land, buildings, and equipment: basis	18,477.			
	b Less: accumulated depreciation (attach schedule)	2,310.	57c	16,167.	
58	Other assets (describe ► <u>Website, net</u>)	7,806.	58	50,947.	
59	Total assets (must equal line 74). Add lines 45 through 58	529,523.	59	1,364,081.	
LIABILITIES	60	Accounts payable and accrued expenses		60	
	61	Grants payable		61	
	62	Deferred revenue		62	
	63	Loans from officers, directors, trustees, and key employees (attach schedule)		63	
	64a	Tax-exempt bond liabilities (attach schedule)		64a	
		b Mortgages and other notes payable (attach schedule)		64b	
	65	Other liabilities (describe ► <u>401 K Withholding</u>)	0.	65	43,607.
66	Total liabilities. Add lines 60 through 65	0.	66	43,607.	
NET ASSETS OR FUND BALANCES	Organizations that follow SFAS 117, check here ► <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.				
	67	Unrestricted	529,523.	67	1,320,474.
	68	Temporarily restricted		68	
	69	Permanently restricted		69	
	Organizations that do not follow SFAS 117, check here ► <input type="checkbox"/> and complete lines 70 through 74				
	70	Capital stock, trust principal, or current funds		70	
	71	Paid-in or capital surplus, or land, building, and equipment fund		71	
	72	Retained earnings, endowment, accumulated income, or other funds		72	
	73	Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72, column (A) must equal line 19, column (B) must equal line 21)	529,523.	73	1,320,474.
	74	Total liabilities and net assets/fund balances. Add lines 66 and 73	529,523.	74	1,364,081.

BAA

Form 990 (2005)

Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return (See instructions.)

				N/A	
a	Total revenue, gains, and other support per audited financial statements				
b	Amounts included on line a but not on Part I, line 12:				
	1 Net unrealized gains on investments	b1			
	2 Donated services and use of facilities	b2			
	3 Recoveries of prior year grants	b3			
	4 Other (specify): _____	b4			
Add lines b1 through b4				b	
c	Subtract line b from line a			c	
d	Amounts included on Part I, line 12, but not on line a :				
	1 Investment expenses not included on Part I, line 6b	d1			
	2 Other (specify): _____	d2			
Add lines d1 and d2				d	
e	Total revenue (Part I, line 12) Add lines c and d			e	

Part IV-B Reconciliation of Expenses per Audited Financial Statements with Expenses per Return

				N/A	
a	Total expenses and losses per audited financial statements				
b	Amounts included on line a but not on Part I, line 17:				
	1 Donated services and use of facilities	b1			
	2 Prior year adjustments reported on Part I, line 20	b2			
	3 Losses reported on Part I, line 20	b3			
	4 Other (specify): _____	b4			
Add lines b1 through b4				b	
c	Subtract line b from line a			c	
d	Amounts included on Part I, line 17, but not on line a :				
	1 Investment expenses not included on Part I, line 6b	d1			
	2 Other (specify): _____	d2			
Add lines d1 and d2				d	
e	Total expenses (Part I, line 17) Add lines c and d			e	

Part V-A Current Officers, Directors, Trustees, and Key Employees (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated.) (See the instructions.)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans and deferred compensation plans	(E) Expense account and other allowances
Jonathan Cowan 2000 L St, NW Washington, DC 20036	President 40	115,000.	0.	0.
Jim Kessler 2000 L St. NW Washington, DC 20036	Vice President-Policy 40	110,769.	0.	0.
Matthew Bennett 2000 L Street, NW Washington, DC 20036	Vice President-Public Aff 40	110,769.	0.	0.
Nancy Hale 2000 L St, NW Washington, DC 20036	Director of Finance & Ops 40	22,153.	0.	0.
Lewis B. Cullman 767 Third St 36th Fl New York, NY 10017	Trustee 0	0.	0.	0.
See List of Officers, Etc Statement				

Part VI Other Information (continued)		Yes	No
82 a Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?			X
b If 'Yes,' you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)	82 b		
83 a Did the organization comply with the public inspection requirements for returns and exemption applications?		X	
b Did the organization comply with the disclosure requirements relating to quid pro quo contributions?		X	
84 a Did the organization solicit any contributions or gifts that were not tax deductible?		X	
b If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		X	
85 501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?		X	
b Did the organization make only in-house lobbying expenditures of \$2,000 or less?		X	
If 'Yes' was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.			
c Dues, assessments, and similar amounts from members	85 c		
d Section 162(e) lobbying and political expenditures	85 d		
e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85 e		
f Taxable amount of lobbying and political expenditures (line 85d less 85e)	85 f		
g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?			
h If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?			
86 501(c)(7) organizations Enter: a Initiation fees and capital contributions included on line 12	86 a		
b Gross receipts, included on line 12, for public use of club facilities	86 b		
87 501(c)(12) organizations . Enter: a Gross income from members or shareholders	87 a		
b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	87 b		
88 At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If 'Yes,' complete Part IX			X
89 a 501(c)(3) organizations Enter: Amount of tax imposed on the organization during the year under section 4911 ▶ _____; section 4912 ▶ _____; section 4955 ▶ _____			
b 501(c)(3) and 501(c)(4) organizations Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If 'Yes,' attach a statement explaining each transaction			X
c Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958			0.
d Enter: Amount of tax on line 89c, above, reimbursed by the organization			
90 a List the states with which a copy of this return is filed ▶ DC			
b Number of employees employed in the pay period that includes March 12, 2005 (See instructions.)	90 b		6
91 a The books are in care of ▶ THIRD WAY Telephone number ▶ (202) 775-3768 Located at ▶ 2000 L STREET, NW #702, WASHINGTON, DC ZIP + 4 ▶ 20036-4915			
b At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If 'Yes,' enter the name of the foreign country ▶ _____ See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Statements	91 b		X
c At any time during the calendar year, did the organization maintain an office outside of the United States? If 'Yes,' enter the name of the foreign country ▶ _____	91 c		X
92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the tax year ▶ 92			<input type="checkbox"/>

Part VII Analysis of Income-Producing Activities (See the instructions)

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue					
a Conference-Retreat					29,000.
b					
c					
d					
e					
f Medicare/Medicaid payments					
g Fees & contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings & temporary cash invmnts					
96 Dividends & interest from securities					
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from pers prop					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue: a					
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))					29,000.
105 Total (add line 104, columns (B), (D), and (E))					29,000.

Note: Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See the instructions)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
93	Conference retreat for corporate supporters and senior staffers that included speakers on the theme of "Maintaining America's Economic Dominance in the 21st Century."

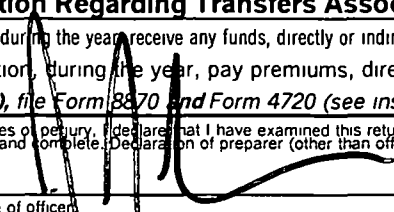
Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See the instructions) N/A

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
	0			
	0			
	0			
	0			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions)


- a Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No
 - b Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No
- Note: If 'Yes' to (b), file Form 8870 and Form 4720 (see instructions)

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Please Sign Here:  Date: 11/05/06

Signature of officer: Jonathan Cowan, President

Paid Preparer's Use Only

Preparer's signature:  Date: 11/6/06

Firm's name (or yours if self-employed), address, and ZIP + 4: GRUEN & WICHANSKY, P.C., 4545 42ND ST NW, STE 208, WASHINGTON DC 20016

Preparer's SSN or PTIN (See General Instruction W): P00083018

EIN: 75-3078622

Phone no: (202) 244-6202

Form 990, Page 2, Part II, Line 43

Other Expenses Stmt

Other expenses not covered above (itemize):	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
RESEARCH EXPENSE	8,738.	8,738.	0.	0.
MEALS	1,178.	0.	0.	1,178.
INTERNET	12.	0.	0.	12.
OTHER	41,352.	0.	0.	41,352.
DUES	42.	0.	42.	0.
MISCELLANEOUS	9,955.	7,666.	1,891.	398.
ADVERTISING	511.	394.	97.	20.
WEBSITE MAINTENANCE	2,412.	1,858.	458.	96.
PAYROLL SERVICE	2,352.	1,600.	376.	376.
BOARD EXPENSES	5,691.	0.	2,845.	2,846.
OTHER	526.	226.	300.	0.
SENIOR CONGRESSIONAL ADVISOR	46,117.	34,588.	0.	11,529.
Total	118,886.	55,070.	6,009.	57,807.

Form 990, Page 5, Part V-A

List of Officers, Etc. Statement

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans and deferred compensation	(E) Expense account and other allowances
John S. Dyson 1370 Avenue of the Americas New York, NY 10019	Trustee 0	0.	0.	0.
Andrew J. McKelvey 622 3rd Ave, 39th Fl New York, NY 10017	Trustee 0	0.	0.	0.
Bernard L. Schwartz 600 3rd Ave, 36th Fl New York, NY 10016	Trustee 0	0.	0.	0.
Thurgood Marshall, Jr. 3000 K St, NW #300 Washington, DC 20007	Trustee 0	0.	0.	0.
Scott Delman 30 W. 63rd Ave #21 New York, NY 10023	Trustee 0	0.	0.	0.
Robert R. Dyson 565 5th Ave 4th Fl New York, NY 10017	Trustee 0	0.	0.	0.
Herbert S. Miller 1054 31st St #410 Washington, DC 20007	Trustee 0	0.	0.	0.
Adam Solomon 277 Park Ave, 49th Fl New York, NY 10017	Trustee 0	0.	0.	0.
Steve Silberstein 29 Eucalyptus Rd Belvedere, CA 94920	Trustee 0	0.	0.	0.

Form 990, Page 5, Part V-A

Continued

List of Officers, Etc. Statement

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans and deferred compensation	(E) Expense account and other allowances
<u>Juliette N. Kayyem</u> <u>Kennedy School of Govt</u> <u>Cambridge, MA 00000</u>	Trustee 0	0.	0.	0.

Third Way
Depreciation Schedule by Category
For the 12 Months Ended 12/31/05

Asset No	Asset Description	Date Acquired	Method	Life	Sold?	Cost	Accum Depr 01/01/05	Current Depreciation	Accum Depr 12/31/05
Uncategorized Assets									
1	Computers-Alienware	12/07/04	ST LINE	05/00	N	7,913 75	131 90	1,582 75	1,714.65
2	Computer Equipment	02/16/05	ST LINE	05/00	N	1,173 48	0.00	195 58	195 58
3	Computer Equipment	06/17/05	ST LINE	05/00	N	1,437 91	0 00	143 79	143 79
4	Computer Equipment	07/29/05	ST LINE	05/00	N	545 63	0 00	45 47	45 47
5	Computer Equipment	10/20/05	ST LINE	05/00	N	2,404 13	0.00	80 14	80 14
6	Computer Equipment	11/14/05	ST LINE	05/00	N	2,820 00	0 00	94 00	94 00
7	Laptop-Hale	12/09/05	ST LINE	05/00	N	1,049 56	0 00	17 49	17 49
8	Computer Equipment-Jen	12/09/05	ST LINE	05/00	N	1,132 74	0 00	18 88	18 88
Total for (Uncategorized Assets)						18,477 20	131 90	2,178 10	2,310 00
Client Subtotal Before Sales						18,477 20	131 90	2,178 10	2,310 00
Less Assets Sold						0 00			0 00
Total						18,477 20	131 90	2,178 10	2,310 00

Third Way
Form 990 - 12/31/05
20-1734070

Part III

Primary Exempt Purpose: A strategy center dedicated to providing progressive policy ideas and messages that resonate with mainstream Americans.

a) The Middle-Class Project: Third Way is examining a range of new approaches to economic issues, with a focus on progressive policies that benefit the middle class. We developed a new strategy on middle-class economics, complete with a new set of policy ideas and messages, and the reception among government officials and other community leaders has been overwhelming. We gave presentations on our new approach to 20 Senators at a caucus lunch; we devised a middle-class tax agenda that has been adopted by many in the community; and our economic work has been hotly debated on blogs and websites and cited in recent opinion pieces in The New York Times and elsewhere.

b) The Culture Project: Third Way is taking on some of the most difficult and intractable hot-button issues in America, and we already are having a real impact on the ways these issues are dealt with in the policy debate. For example, we developed a new progressive approach to immigration that has garnered broad support; we held a press conference critiquing the Bush record; we pioneered a new approach on abortion that is embodied in a new piece of legislation introduced by a group of pro-choice and pro-life House members; and we are developing other new progressive policy proposals, including a bill on Internet pornography introduced by a dozen Senators and featured on several network news shows.

c) The National Security Project: Third Way is seeking to revitalize progressive arguments in the national security debate through policy and message development. Third Way devised the overall framework ("tough and smart") that many national leaders are using; we conducted a press conference with Senate leaders and other public figures laying out the Bush failures in defense policy; we introduced legislation to increase the size of the Army; and we have trained dozens of progressive leaders on the framework to use when discussing national security.

COPY

If you are filing for an Additional (not automatic) 3-Month Extension, complete only Part II and check this box.

Note. Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

If you are filing for an Automatic 3-Month Extension, complete only Part I (on page 1).

Part II Additional (not automatic) 3-Month Extension of Time—Must File Original and One Copy.

Table with 3 columns: Type or print, Name of Exempt Organization, Employer identification number. Includes address: 2000 L STREET, NW, Suite 702, WASHINGTON, DC 20036.

Check type of return to be filed (File a separate application for each return):

- Form 990, Form 990-BL, Form 990-EZ, Form 990-PF, Form 990-T (sec. 401(a) or 408(a) trust), Form 990-T (trust other than above), Form 1041-A, Form 4720, Form 5227, Form 6069, Form 8870.

STOP: Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

The books are in the care of THIRD WAY

Telephone No. 202-775-3768

FAX No.

If the organization does not have an office or place of business in the United States, check this box.

If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) ... If this is for the whole group, check this box ... If it is for part of the group, check this box ... and attach a list with the names and EINs of all members the extension is for.

4 I request an additional 3-month extension of time until 11/15/2006
5 For calendar year 2005, or other tax year beginning ... and ending ...
6 If this tax year is for less than 12 months, check reason: Initial return, Final return, Change in accounting period
7 State in detail why you need the extension: More time is requested to acquire all information needed to complete and file an accurate return.

8 a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits See instructions \$ 0
b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868 \$ 0
c Balance Due. Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions. \$ 0

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form

Signature

Title

CPA

Date

3/15/06

Notice to Applicant—To Be Completed by the IRS

- We have approved this application Please attach this form to the organization's return
We have not approved this application However, we have granted a 10-day grace period from the later of the date of the organization's return (including any prior extensions) This grace period is considered to be a valid extension of time for elections otherwise required to be made on a timely return Please attach this form to the organization's return
We have not approved this application After considering the reasons stated in item 7, we cannot grant your request for an extension of time to file. We are not granting a 10-day grace period
We cannot consider this application because it was filed after the extended due date of the return for which an extension was requested
Other

EXTENSION APPROVED
SEP 15 2006
FIELD DIRECTOR, SUBMISSION PROCESSING, OGDEN

Director

By

Date

Alternate Mailing Address — Enter the address if you want the copy of this application for an additional 3-month extension returned to an address different than the one entered above.

Table with 2 columns: Type or print, Name, Number and street, City or town, province or state, and country. Includes address: SCOTT L WICHANSKY, 4545 42ND STREET, NW #208, WASHINGTON, DC 20016.