
Internal Revenue Service

Department of the Treasury
Washington, DC 20224

Person to Contact: John O'Neill
Telephone Number: (202) 622-7426
Refer Reply to: CP:E:EO:R:1
Date: SEP 30 1994

Employer Identification Number: 59-3052122
Key District: Atlanta, GA
Accounting Period Ending: September 30
Foundation Status Classification: 509(a)(1) & 170(b)(1)(A)(vi)
Effective Date of Ruling: November 30, 1990
Form 990 Required: Yes

Dear Applicant:

Based on information supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from federal income tax under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3).

Based upon the facts and circumstances represented in your request for relief under section 1.9100-1 of the Income Tax Regulations, an extension of the period allowed for the filing of notice required under section 508(a) of the Code and section 1.508-1(a)(2) of the regulations is granted. Accordingly, your exemption under section 501(c)(3) is effective beginning on the date shown above, the date you were organized.

We have further determined that you are not a private foundation within the meaning of section 509(a) of the Code, because you are an organization described in the section(s) above.

If your sources of support, or your purposes, character, or method of operation change, please let your key district know so that office can consider the effect of the change on your exempt status and foundation status. In the case of an amended document or bylaws, please send a copy of the amended document or bylaws to your key district. Also, you should inform your key District Director of all changes in your name or address.

Unless you are an instrumentality of a state or a political subdivision of a state, or otherwise specifically excepted, you are liable for the social security and medicare taxes under the Federal Insurance Contributions Act (FICA) on remuneration of \$100 or more you pay to each of your employees during a calendar year. You are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

If you are a wholly-owned instrumentality of a state or political subdivision of a state, you are liable for FICA taxes with regard to services included under an agreement entered into under section 218 of the Social Security Act. (For information in this regard, you may contact your state social security

administrator.) Wages of any employees not covered under a section 218 agreement, but who were hired after March 31, 1986, are subject to the medicare portion of the FICA taxes. Finally, with regard to services performed after July 1, 1991, the wages of any employees not covered under a section 218 agreement and who are not members of a retirement system of the state, political subdivision, or instrumentality, are subject to the social security and medicare taxes.

Any questions that you may have as to whether you are an instrumentality of a state or a political subdivision should be addressed to the Internal Revenue Service, Office of the Associate Chief Counsel (Technical), P.O. Box 7604, Ben Franklin Station, Washington, D.C. 20044.

Unless you are an instrumentality you are required to file Form 990, Return of Organization Exempt From Income Tax, if your gross receipts each year are normally more than \$25,000. Such returns are not required to be filed by organizations that are instrumentalities of a state or a political subdivision thereof, the income of which is excluded from gross income pursuant to section 115 of the Code. If you believe your income is excluded from gross income pursuant to section 115 of the Code, you should request an appropriate ruling from the Office of Chief Counsel, as indicated above.

If you are required to file Form 990, but your gross receipts each year are not normally more than \$25,000, we ask that you establish that you are not required to file Form 990 by completing Part I of that Form for your first year. Thereafter, you will not be required to file a return until your gross receipts exceed the \$25,000 minimum. For guidance in determining if your gross receipts are "normally" not more than the \$25,000 limit, see the instructions for the Form 990. If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. A penalty of \$10 a day is charged when a return is filed late, unless there is reasonable cause for the delay. The maximum penalty charged cannot exceed \$5,000 or 5 percent of your gross receipts for the year, whichever is less. This penalty may also be charged if a return is not complete, so please be sure your return is complete before you file it.

You are required to make your annual return available for public inspection for three years after the return is due. You are also required to make available a copy of your exemption application, and supporting documents, and this exemption letter. Failure to make these documents available for public inspection may subject you to a penalty of \$10 per day for each day there is a failure to comply (up to a maximum of \$5,000 in the case of an annual return). See Internal Revenue Service Notice 88-120, 1988-2 C.B. 454, for additional information.

You are not required to file federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T, Exempt Organization Business Income Tax Return. In this letter we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

Since you are not a private foundation, you are not subject to the excise taxes under Chapter 42 of the Code. However, you are not automatically exempt from other federal excise taxes. If you have any questions about excise, employment, or other federal taxes, please contact your key District Director.

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522.

If your organization conducts fund-raising events such as benefit dinners, auctions, membership drives, etc., where something of value is received in return for contributions, you can help your donors avoid difficulties with their income tax returns by assisting them in determining the proper tax treatment of their contributions. To do this you should, in advance of the event, determine the fair market value of the benefit received and state it in your fund-raising materials such as solicitations, tickets, and receipts in such a way that your donors can determine how much is deductible and how much is not. To assist you in this, the Service has issued Publication 1391, *Deductibility of Payments Made to Organizations Conducting Fund-Raising Events*. You may obtain copies of Publication 1391 from your key district office.

In this letter, we have not determined the effect on your tax-exempt status of financing your activities with the proceeds of tax exempt bonds since you have not indicated that you intend to use such methods now or in the future

You need an employer identification number even if you have no employees. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

We are informing your key District Director of this ruling. Because this letter could help resolve any questions about your exempt status and foundation status, you should keep it in your permanent records.

If you have any questions about this ruling, please contact the person whose name and telephone number are shown in the heading of this letter. For other matters, including questions concerning reporting requirements, please contact your key District Director.

Sincerely,

Marvin Friedlander Chief,
Exempt Organizations
Rulings Branch 1