

Internal Revenue Service

Department of the Treasury

JAN 30 1986

District
Director

230 S. Dearborn St., Chicago, Illinois 60604

Department of Nebraska Veterans
of Foreign Wars of the United
States
2431 North 48th Street
P.O. Box 4552
Lincoln, Nebraska 68504

Person to Contact: A. Simpson
Phone Number: (312) 886-1278
In Reply Refer to: EO: 201: AS

Date: 24 JAN 1986

Gentlemen:

We have considered your request to be reclassified as an organization described in Section 501(c)(19) of the Code.

You were incorporated in 1934 and granted exemption from Federal income tax on August 20, 1945 under Section 501(c)(4) of the Code.

At the present time 100% of your 33,500 members are war veterans.

Based on the information furnished, we conclude that you are exempt from Federal income tax under Section 501(c)(19) of the Code. Our previous rulings to you are modified accordingly.

You are required to file the annual return, Form 990, on or before the 15th day of the 5th month after the end of your annual accounting period if your annual gross receipts are normally more than \$25,000. Failure to file the Form 990, by this date may subject you to a penalty of \$10 for each day during which such failure continues, up to a maximum of \$5,000.

You are 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 so, you must file an income tax return on Form 990-T. In this letter we are not determining whether any of your present or proposed activities is unrelated trade or business as defined in Section 513 of the Code.

Unless specifically excepted, you are liable for taxes under the Federal Insurance Contributions Act (social security taxes). Also, unless excepted, you are liable for tax under the Federal Unemployment Tax Act, if during the current or preceding calendar year, you have one or more employees at any time in each of 20 weeks, or you pay wages of \$1,500 or more in any calendar year. Any questions concerning excise, employment, or other Federal

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taxes should be submitted to your Key District Director in St. Louis, Missouri.

With respect to your deductibility of contributions made to you, Section 170 of the Code provides subject to certain limitations, a deduction for contributions or gifts to or for the use of organizations described in Section 170(c) of the Code, payment of which is made within the taxable year.

For purposes of Section 170(c)(3) of the Code, the term "charitable contribution" means a contribution or gift to or for the use of a post or organization of war veterans, or an auxiliary unit or society of or trust or foundation for, any such post or organization; organized in the United States or any of its possessions; and no part of the net earnings of which inures to the benefit of any private shareholder or individual.

Accordingly, based on the information submitted, we conclude that contributions or gifts to you are deductible by the donors in the manner and to the extent provided in Section 170 of the Code.

Your key District Director should be informed of any change in your purposes of activities in order that he may consider the effect, if any, on your exempt status.

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, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely yours,

J. R. Starkey
J. R. Starkey
District Director