

Internal Revenue Service

Department of the Treasury

District
Director

450 Golden Gate Ave.
San Francisco, CA 94142

Default
MAY 21 1984

[Redacted]

Person to Contact:

[Redacted]

Telephone Number:

[Redacted]

Refer Reply to:

[Redacted]

Date:

EIN: [Redacted]

MAR 21 1984

Gentlemen:

We have considered your application for exemption from Federal income tax as an organization described in section 501(c)(3) of the Internal Revenue Code of 1954.

The information submitted discloses that you were incorporated under the nonprofit corporation laws of the State of [Redacted] on [Redacted].

Your corporation's purpose is stated in Article II B. of its Article of Incorporation. That provision reads as follows:

"The specific purpose of this corporation is to abolish war."

Your corporation's purposes and activities are summarized in Form 1023 Part III 3. That summary reads, in part, as follows:

"The newly formed corporation will undertake as its first main activity a membership drive and concomitantly a petition drive to put on the ballot a resolution that is the first step towards the abolition of war. Specifically the resolution urges the U.S. government to initiate in the United Nations a resolution that all nations shall turn over to international control by the United Nations all nuclear weapons and materials, mined and unmined, as well as other weapons of mass human destruction. These weapons, which threaten the existence of every man, woman and child, shall be dismantled and thereafter controlled by unanimous vote of the General Assembly, from which no nation shall be excluded. The corporation will distribute education pamphlets with statements by Einstein, Gandhi, Bertrand Russell, Martin Luther King, the Charter and Declaration of Human Rights of the United Nations, and other such material."

In a letter dated [Redacted] we requested additional information about your operation so we could determine your proper tax exempt status. You responded to that request in letters postmarked [Redacted] and [Redacted].

We asked if you would advocate the adoption or rejection of any legislation. We asked you to state the percentage of total annual expenditures that would be devoted to supporting such activities. We asked you to state the percentage of total annual staff hours that would be devoted to such activities. You responded as follows:

"Yes, we will advocate the adoption of legislation regarding the abolition of war.... Perhaps 30%...30%.

Section 501(c) of the Internal Revenue Code of 1954 describes certain organizations exempt from income tax under section 501(a) and reads, in part, as follows:

"(3) Corporations, and any community chest, fund, or foundation organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary, or educational purposes, or to foster national or international amateur sports competition (but only if no part of its activities involve the provision of athletic facilities or equipment), or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual, no substantial part of the activities of which is carrying on propaganda, or otherwise attempting, to influence legislation, (except as otherwise provided in subsection (h)), and which does not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of any candidate for public office."

Section 1.501(c)(3)-1(c)(3) of the regulation provides that an organization is not operated exclusively for exempt purposes if it is an "action" organization. An organization is an "action" if a substantial part of its activities is attempting to influence legislation. Section 1.501(c)(3)-1(c)(3)(ii) provides that advocating the adoption or rejection of legislation is attempting to influence legislation. Section 1.501(c)(3)-1(c)(3)(iv) provides that an organization is an "action" organization if it has a main or primary objective that may be attained only by legislation or the defeat of proposed legislation and it advocates, or campaigns for, the attainment or that objective.

Section 1.501(c)(3)-1(c)(3)(ii) of the regulations defines that term "legislation". that provision read, in part, as follows:

"...action by the Congress, by any State legislative...by the public in a referendum, initiative, constitutional amendment, or similar procedure."

Rev. Rul. 73-440, 1973-2 C.B. 177, held that the term "legislation" includes both domestic and foreign laws.

You have stated that a substantial amount of your time and resource (30%) will be devoted to advocating the adoption or rejection of domestic and foreign (United Nations) legislation. It appears that you were initially formed for such purposes (promoting a ballot initiative). You have stated that your primary purpose is abolishing war. You have advocated the attainment of that goal. That goal may be attained only through legislation or the defeat of legislation.

Your corporation is not entitled to exemption under section 501(c)(3) of the Internal Revenue Code of 1954 because you are an "action" organization.

You are required to file Federal income tax returns annually with your District Director.

As provided by section 6104(c) of the Internal Revenue Code of 1954 and the applicable regulations, the appropriate State officials are being notified of our determination.

Until such time as you establish your exempt status for Federal income tax purposes, contributions made to you are not deductible by the donors on their individual tax returns.

If you are in agreement with this proposed determination, we request that you sign and return the enclosed agreement Form 6018. Please note the instructions for signing on the reverse side of this form.

If you are not in agreement with this proposed determination, we recommend that you request a hearing with our office of Regional Director of Appeals. Your request for a hearing should include a written appeal giving the facts, law, and any other information to support your position as explained in the enclosed Publication 892. You will then be contacted to arrange a date for a hearing. The hearing may be held at the office of Regional Director of Appeals or, if you request, at a mutually convenient District Office. A self-addressed envelope is enclosed.

If we do not hear from you within 30 days from the date of this letter, and you do not protest this proposed determination in a timely manner, it will be considered by the Internal Revenue Service as a failure to exhaust available administrative remedies and will then become our final determination. Section 7428(b)(2) of the Internal Revenue Code provides in part that, "A declaratory judgement or decree under this section shall not be issued in any proceeding unless the Tax Court, the Court of Claims, or the district court of the United States for the District of Columbia determines that the organization involved has exhausted administrative remedies available to it within the Internal Revenue Service."

From the information submitted, it appear that you may qualify for exemption as a social welfare organization under section 501(c)(4) of the Code. If you would like to be considered for section 501(c)(4) status you could submit Form 1024 to this office.

Sincerely yours,

District Director

Enclosures:
Publication 892
Form 6018
Form 1024