



U. S. TREASURY DEPARTMENT
WASHINGTON 25

OFFICE OF
COMMISSIONER OF INTERNAL REVENUE

ADDRESS REPLY TO
COMMISSIONER OF INTERNAL REVENUE
WASHINGTON 25, D. C.

AND REFER TO
T:R:PEO:E
MLS

MAY 6 1957

Washington Association for Retarded Children
4008 Arcade Building
Seattle 1, Washington

Gentlemen:

This has reference to the information submitted for use in determining your status, and the status of your subordinate chapters, with respect to exemption from Federal income tax as organizations described in section 501(c)(3) of the Internal Revenue Code of 1954.

Our records show that in a ruling dated January 28, 1938, addressed to you under your former name, Children's Benevolent League of Washington, it was held that you were entitled to exemption from Federal income tax under the provisions of section 101(8) of the Revenue Act of 1936, which corresponds to section 501(c)(4) of the Code of 1954.

It is our opinion, based upon the evidence now presented, that you and your subordinate units appearing on the lists submitted by your National President under date of March 30, 1957, are entitled to exemption from Federal income tax as organizations described in section 501(c)(3) of the Code of 1954, as it is shown that you and such units are organized and operated exclusively for charitable and educational purposes.

Accordingly, it will not be necessary for you and your subordinate units referred to above to file income tax returns so long as there are no changes in your character, purposes, or method of operation, or that of your subordinate units. Any such changes should be reported immediately to the National Office of the Internal Revenue Service in Washington, D. C., in order that the effect of such changes upon your exempt status and that of your subordinate units may be determined.

2 - Washington Association for Retarded Children -

However, you and your subordinate units referred to above are required to file, annually, on the calendar year basis, information returns on Form 990A with the District Directors of Internal Revenue for the respective districts in which located so long as the exemption remains in effect. This form may be obtained from the District Director and is required to be filed on or before the fifteenth day of the fifth month following the close of your respective annual accounting periods.

Contributions made to you and to your subordinate units referred to above are deductible by the donors in computing their taxable income in the manner and to the extent provided by section 170 of the Code of 1954.

Bequests, legacies, devises or transfers, to or for your use or to or for the use of the units listed are deductible in computing the value of the taxable estate of a decedent for estate tax purposes in the manner and to the extent provided by sections 2055 and 2106 of the Code of 1954. Gifts of property to you and to such units are deductible in computing taxable gifts for gift tax purposes in the manner and to the extent provided in section 2522 of the Code of 1954.

No liability is incurred by you or the units referred to above for the taxes imposed under the Federal Insurance Contributions Act (social security taxes) unless you and such units have filed waiver of exemption certificates in accordance with the applicable provisions of such Act. In the event you and your units desire social security coverage for your employees or have any questions relating to the filing of waiver of exemption certificates, you should take the matter up with your respective District Directors of Internal Revenue.

Your attention is called to the provisions of section 501(c)(3) of the Code of 1954 under which your exemption and that of your local units will be revoked if any substantial part of your activities, or those of such units consists of carrying on propaganda, or otherwise attempting, to influence legislation, or if you or your units participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of any candidate for public office.

You should furnish the National Office annually, on the calendar year basis, lists, in duplicate, showing only the names and addresses of any new units chartered by you during the year, and the names and addresses of any units which for any reason have ceased to exist.

3 - Washington Association for Retarded Children -

These lists should be accompanied by a statement of one of your principal officers as to whether the information heretofore submitted by you, and on which this ruling is based, is applicable in all respects to the new units appearing on the lists. This information should be forwarded so as to reach the National Office not later than February 15 of the following year.

Our ruling dated January 28, 1938, is hereby modified to conform to the provisions of this ruling.

The District Director of Internal Revenue, Seattle, Washington, is being advised of this action.

Very truly yours,

A handwritten signature in cursive script, reading "P. Henry Needham".

Chief, Pensions and
Exempt Organizations Branch