

Department of the Treasury

Internal Revenue Service

Date

SEP 6 1972

In reply refer to

T:MS:EO:R:1



Atelier Lack, Inc.
5827 Louis Avenue
Minnetonka, Minnesota 55343

Gentlemen:

We have considered your application for recognition of exemption from Federal income tax under section 501(c)(3) of the Internal Revenue Code of 1954.

The information furnished shows that you were incorporated under the Minnesota Nonprofit Corporation law for educational purposes, including for such purpose the training as apprentices of men and women as students not having adequate financial means but who are qualified to pursue careers as professional painters.

With respect to your admission and operational policies you state that the school is open to any student regardless of race, color, creed or sex.

We understand from information submitted by you that your racially nondiscriminatory policy as to students has been publicized in such manner as to be known in all segments of your community.

As stated in Rev. Rul. 71-447, C.B. 1971-2, page 230, a "racially nondiscriminatory policy as to students" is defined as meaning that "the school admits the students of any race to all the rights, privileges, programs, and activities generally accorded or made available to students at that school and that the school does not discriminate on the basis of race in administration of its educational policies, admissions policies, scholarship or loan programs, and athletic and other school-administered programs". If you wish, you may release this letter to your local news media as confirmation of your desire to make your nondiscriminatory policy known to all who may be interested.

Atelier Lack, Inc.

Based on the information supplied, and assuming your operations will be as stated in your exemption application, we have determined that you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. Any change in your purposes, character, or method of operation must be reported to the District Director, St. Paul, Minnesota, which is your key district for exempt organization matters, so he may consider the effect of the change on your exempt status. You must also report any change in your name or address.

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 section 170(b)(1)(A)(ii).

You are required to file the annual information return, Form 990, on or before the 15th day of the 5th month after the end of your annual accounting period. The law imposes a penalty of \$10 a day, up to a maximum of \$5,000, for the failure to file this return.

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. 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.

You are liable for social security taxes (FICA) only if you have filed waiver of exemption certificates as provided in the Federal Insurance Contributions Act. You are not liable for Federal unemployment taxes.

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.

Atelier Lack, Inc.

Donors may deduct contributions to you, as provided by 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 under sections 2055, 2106, and 2522 of the Code.

You need an employer identification number even if you have no employees. If an employer identification number was not entered on your exemption application, a number will be assigned to you and you will be advised of it. Please use that number on all returns and in all correspondence with the Internal Revenue Service.

We are informing your key District Director of this ruling. If you have any questions, please contact him.

Sincerely yours,

P. J. ...
Acting Chief, Rulings Section
Exempt Organizations Branch