

INTERNAL REVENUE SERVICE
DISTRICT DIRECTOR
31 HOPKINS PLAZA
BALTIMORE, MD 21201

DEPARTMENT OF THE TREASURY

Entered in PCG

Date: JUN 3 1992

Employer Identification Number:
23-2473845

Contact Person:
EO DETERMINATION AIDE

Contact Telephone Number:
(410) 962-7756

THE COMMONWEALTH FOUNDATION FOR
PUBLIC POLICY ALTERNATIVES
600 N SECOND ST SUITE 400
HARRISBURG, PA 17101-1031

Our Letter Dated:
JUNE 7, 1988
Addendum Applies:
YES

Dear Applicant:

This modifies our letter of the above date in which we stated that you would be treated as an organization that is not a private foundation until the expiration of your advance ruling period.

Your exempt status under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3) is still in effect. Based on the information you submitted, we have determined that you are not a private foundation within the meaning of section 509(a) of the Code because you are an organization of the type described in section 509(a)(1) and 170(b)(1)(A)(VI).

Grantors and contributors may rely on this determination unless the Internal Revenue Service publishes notice to the contrary. However, if you lose your section 509(a)(1) status, a grantor or contributor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act, or the substantial or material change on the part of the organization that resulted in your loss of such status, or if he or she acquired knowledge that the Internal Revenue Service had given notice that you would no longer be classified as a section 509(a)(1) organization.

If we have indicated in the heading of this letter that an addendum applies, the addendum enclosed is an integral part of this letter.

Because this letter could help resolve any questions about your private foundation status, please keep it in your permanent records.

THE COMMONWEALTH FOUNDATION FOR

If you have any questions, please contact the person whose name and telephone number are shown above.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "H. J. Lightner". The signature is written in a cursive style with a large, stylized initial "H".

District Director

Enclosure:
Addendum

THE COMMONWEALTH FOUNDATION FOR

Guidelines under which private foundations may rely on this determination, for gifts, grants, and contributions made after March 13, 1989, were liberalized and published in Rev. Proc. 89-23, Cumulative Bulletin 1989-1, page 844.

You are required to make available for public inspection a copy of your exemption application, and supporting documents, and this exemption letter. If you are required to file an annual information return, you are also required to make a copy of the return available for public inspection for three years after the return is due. 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 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.

Internal Revenue Service

Department of the Treasury

Entered in PCG

Washington, DC 20224

The Commonwealth Foundation For
Public Policy Alternatives
600 North Second Street
Suite 400
Harrisburg, PA 17101

Person to Contact:

Telephone Number:

Refer Reply to:

WFO:R:6

Date:

JUN 7 1988

Employer Identification Number: 23-2473845
Key District: Baltimore
Accounting Period Ending: December 31
Foundation Status Classification: 509(a)(1) & 170(b)(1)(A)(vi)
Advance Ruling Period Ends: December 31, 1991

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(c)(3) of the Internal Revenue Code.

Because you are a newly created organization, we are not now making a final determination of your foundation status under Code section 509(a). However, we have determined that you can reasonably be expected to be a publicly supported organization described in the sections shown above.

Accordingly, you will be treated as a publicly supported organization, and not as a private foundation, during the advance ruling period. This advance ruling period begins on the date you were organized and ends on the date shown above.

Before the end of your advance ruling period, you will be asked to furnish to your key district director information needed to determine whether you have met the requirements of the applicable support test during the advance ruling period. (If you received a 2 or 3 year advance ruling, you will be given an opportunity to extend the advance ruling to 5 years.) If you establish that you have been a publicly supported organization, you will be classified as a section 509(a)(1) or 509(a)(2) organization as long as you continue to meet the requirements of the applicable support test. If you do not meet the public support requirements during the advance ruling period, (or do not request an extension to 5 years, if appropriate), you will be classified as a private foundation for future periods. Also, if you are classified as a private foundation, you will be treated as a private foundation from the effective date of your exemption for purposes of section 4940, which imposes an excise tax on your net investment income, and section 507(d), which defines, in the event of termination of status, the aggregate tax benefit derived from tax exemption as a section 501(c)(3) organization.

The Commonwealth Foundation For Public Policy Alternatives

Grantors and donors may rely on the advance ruling that you are not a private foundation until 90 days after your advance ruling period ends. If you submit the required information within the 90 days, grantors and donors may continue to rely on the advance ruling until we make a final determination of your foundation status. However, if notice that you will no longer be treated as the type of organization shown above is published in the Internal Revenue Bulletin, grantors and donors may not rely on this advance ruling after the date of such publication. Also, a grantor or donor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act that resulted in your loss of the foundation classification shown above, or if he or she acquired knowledge that we had given notice that you would be removed from classification as the type of organization shown above.

If your sources of support, or your purposes, character, or methods 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. Also, you should inform your key District Director of all changes in your name or address.

Unless specifically excepted, beginning January 1, 1984, you must pay taxes under the Federal Insurance Contributions Act (social security taxes) for each employee who is paid \$100 or more in a calendar year. You are not required to pay tax under the Federal Unemployment Tax Act (FUTA).

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 questions about excise, employment, or other federal taxes, contact your key District Director.

Donors may deduct contributions to you as provided in Code section 170. Requests, 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.

You are required to file Form 990, Return of Organization Exempt from Income Tax, only if your gross receipts each year are normally more than \$25,000. If your gross receipts 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 tax year. Thereafter, you will not be required to file a return until your gross receipts normally 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. There is a penalty of \$10 a day, up to a maximum of \$5,000, when a return is filed late unless you establish, as required by section 6652(d)(1), that the failure to file timely was due to reasonable cause.

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The Commonwealth Foundation For Public Policy Alternatives

You are not required to file federal income tax returns unless you are subject to the tax on unrelated business income under Code section 511. 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.

Please show your employer identification 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 yours,

Jeanne Gessay

Jeanne Gessay
Chief, Exempt Organizations
Rulings Branch 2

Enclosure
Form 872-C