

**Internal Revenue Service**

**Department of the Treasury**

**P. O. Box 2508  
Cincinnati, OH 45201**

**Date: August 30, 2001**

**Person to Contact:**

Ruth Ohmer 31-03159  
Customer Service Specialist

*Entered in PCG*

**Toll Free Telephone Number:**

8:00 a.m. to 9:30 p.m. EST  
877-829-5500

**Fax Number:**

513-263-3756

**Federal Identification Number:**

39-1253380

**Gray's Child Development Center**

**Incorporated**

6618 N. Teutonia Avenue  
Milwaukee, WI 53209-3117

Dear Madam:

This is in response to your letter dated August 17, 2001, requesting an address change for your organization. We have updated our records to reflect the address change as indicated above.

In July 1979, we issued a letter that recognized your organization as exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code. That letter is still in effect.

Based on information submitted with the application, we classified your organization as one that is not a private foundation within the meaning of section 509(a) of the Code because it is an organization described in sections 509(a)(1) and 170(b)(1)(A)(ii). That classification was based on the assumption that your organization's operations would continue as stated in the application. If your organization's purposes, character, method of operations, or sources of support have changed, please let us know so we can consider the effect of the change on the organization's exempt status and foundation status.

Revenue Procedure 75-50, published in Cumulative Bulletin 1975-2 on page 587, sets forth guidelines and record keeping requirements for determining whether private schools have racially nondiscriminatory policies as to students. Your organization must comply with this revenue procedure to maintain its tax-exempt status.

Your organization is required to file Form 990, Return of Organization Exempt from Income Tax, only if its gross receipts each year are normally more than \$25,000. If a return is required, it must be filed by the 15th day of the fifth month after the end of the organization's annual accounting period. The law imposes a penalty of \$20 a day, up to a maximum of \$10,000, when a return is filed late, unless there is reasonable cause for the delay.

All exempt organizations (unless specifically excluded) are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$100 or more paid each employee during a calendar year. Your organization is not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Organizations that are not private foundations are not subject to the excise taxes under Chapter 42 of the Code. However, they are not automatically exempt from other federal excise taxes.

Gray's Child Development Center Incorporated  
39-1253380

Donors may deduct contributions to your organization as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to your organization or for its use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

Your organization is not required to file federal income tax returns unless it is subject to the tax on unrelated business income under section 511 of the Code. If your organization is subject to this tax, it must file an income tax return on the Form 990-T, Exempt Organization Business Income Tax Return. In this letter, we are not determining whether any of your organization's present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

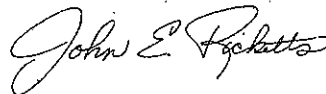
The law requires you to make your organization's annual return available for public inspection without charge for three years after the due date of the return. You are also required to make available for public inspection a copy of your organization's exemption application, any supporting documents and the exemption letter to any individual who requests such documents in person or in writing. You can charge only a reasonable fee for reproduction and actual postage costs for the copied materials. The law does not require you to provide copies of public inspection documents that are widely available, such as by posting them on the Internet (World Wide Web). You may be liable for a penalty of \$20 a day for each day you do not make these documents available for public inspection (up to a maximum of \$10,000 in the case of an annual return).

Because this letter could help resolve any questions about your organization's exempt status and foundation status, you should keep it with the organization's permanent records.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

This letter affirms your organization's exempt status.

Sincerely,



John E. Ricketts, Director, TE/GE  
Customer Account Services

## Internal Revenue Service

## Department of the Treasury

Entered in PCG

District  
Director

316 N. Robert St., St. Paul, Minn. 55101

Gray's Child Development Center, Inc.  
2634 North Third Street  
P.O. Box 12093  
Milwaukee, Wisconsin 53212

## Person to Contact:

D.B. Labey

## Telephone Number:

(612) 725-5811

## Holler Reply to:

EO:7204 :STP:79-761

Date: August 8, 1979

## Employer Identification Number:

39-1253380

## Accounting Period Ending:

April 30

## Form 990 Required:

Yes

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, effective June 15, 1979.

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 509(a)(1)-170(b)(1)(A)(ii).

If your sources of support, or your purposes, character, or method of operation change, please let us know so we can consider the effect of the change on your exempt status and foundation status. Also, you should inform us of all changes in your name or address.

Generally, you are not liable for social security (FICA) taxes unless you file a waiver of exemption certificate as provided in the Federal Insurance Contributions Act. If you have paid FICA taxes without filing the waiver, you should contact us. You are not liable for the tax imposed 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 any questions about excise, employment, or other Federal taxes, please let us know.

Donors may deduct contributions to you as provided in 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 if they meet the applicable provisions of Sections 2055, 2106, and 2522 of the Code.

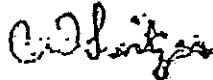


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Gray's Child Development Center, Inc.

If we do not hear from you within the time specified, this communication will become our determination in the matter.

Sincerely yours,



C. D. Switzer  
District Director

Enclosure:

Publication 89

Please note that the effective date of your tax exemption is June 15, 1979, the date on which one of your directors agreed to reimburse the organization for private use of their automobile.