

Internal Revenue Service

Department of the Treasury

Washington, DC 20224

Entered in PCE

National Defense Council, Inc.
1220 King Street, Suite 1
Alexandria, VA 22314

Person to Contact:

Debra Cowen
Telephone Number:202-622-8361
Refer Reply to:E:EO:R:4
Date: MAR 24 1993

Employer Identification Number: 52-1140336
Key District: Baltimore
Accounting Period Ending: December 31
Foundation Status Classification: 509(a)(1) & 170(b)(1)(A)(vi)
Effective Date of Ruling: January 1, 1986
Form 990 Required: Yes

Dear Applicant:

You were first recognized as exempt under section 501(c)(3) of the Internal Revenue Code by letter dated March 26, 1979, effective November 3, 1978, the date you were incorporated. In Ann. 92-73, 1992-20 I.R.B. 51, (May 18, 1992), you were listed as an organization that no longer qualifies as an organization described in section 170(c)(2). On May 15, 1992, you submitted Form 1023, Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code for the years beginning on January 1, 1986.

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(a) of the Internal Revenue Code as an organization described in section 501(c)(3) effective January 1, 1986. In a separate letter, you were recognized as exempt under section 501(c)(4) for the year beginning January 1, 1985 and ending December 31, 1985.

This ruling is further based on evidence that you have adopted the following guidelines for distributions made under your refugee relief program:

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That NDCF distribute medical supplies and equipment, and other refugee relief aid, only to organizations that have been recognized as exempt under section 501(c)(3) of the Internal Revenue Code, to governmental organizations exclusively for public purposes, or to organizations that, in NDCF's best judgment and in accordance with the provisions of the Internal Revenue Code, would be public charities described in section 501(c)(3) and 509(a)(1), (2), or (3) if they were recognized as exempt under section 501(c)(3) by the Internal Revenue Service.

You should maintain adequate records of all distributions you make sufficient to establish that all your resources are used in furtherance of your charitable purposes.

We have further determined that you are not a private foundation within the meaning of Code section 509(a), because you are an organization described in the sections of the Code 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. In the case of an amended document or bylaws, please send a copy of the amended document or bylaws to your key district. Also you should inform your key District Director of all changes in your name or address.

As of January 1, 1984, you are liable for 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 for years beginning after December 31, 1985. 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.

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Donors (including private foundations) may rely on this ruling unless the Internal Revenue Service publishes notice to the contrary. However, if you lose your 509(a) status as shown above, donors (other than private foundations) may not rely on the classification shown above if they were in part responsible for, or were aware of, the act that resulted in your loss of such status, or they acquired knowledge that the Service had given notice that you would be removed from that classification. Private foundations may rely on the classification as long as you were not directly or indirectly controlled by them or by disqualified persons with respect to them. However, private foundations may not rely on the classification shown above if they acquired knowledge that the Service had given notice that you would be removed from that classification.

If your organization conducts fund-raising events such as benefit dinners, auctions, membership drives, etc., where something of value is received in return for contributions, you can help your donors avoid difficulties with their income tax returns by assisting them in determining the proper tax treatment of their contributions. To do this you should, in advance of the event, determine the fair market value of the benefit received and state it in your fund-raising materials such as solicitations, tickets, and receipts in such a way that your donors can determine how much is deductible and how much is not. To assist you in this, the Service has issued Publication 1391, Deductibility of Payments Made to Organizations conducting Fund-Raising Events. You may obtain copies of Publication 1391 from your key district office.

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 there is reasonable cause for the delay. This penalty may also be charged if a return is not complete, so please be sure your return is complete before you file it.

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

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 of the Code.

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,

Gerald V. Sack

Gerald V. Sack
Chief, Exempt Organizations
Rulings Branch 4

Internal Revenue Service

Department of the Treasury

District
Director

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▷ National Defense Council
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Person to Contact:

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Refer Reply to:

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Date:

JAN 28 1986

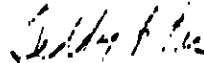
Dear Sir or Madam:

- Our recent examination of your information return, Form 990, for the year ended December 31, 1983 disclosed that your organization continues to qualify for exemption from Federal income tax under section 501(c)(3) of the Internal Revenue Code.

Our records show that your organization is currently classified as a non-private foundation described in section 509(a)(2) of the Code. The information submitted, however, indicates that your support comes primarily from contributions from the general public. Accordingly, we have reclassified your organization as a non-private foundation described in sections 509(a)(1) and 170(b)(1)(A)(vi) of the Code. This reclassification is effective as of January 1, 1980.

Thank you for your cooperation.

Sincerely yours,

Teddy R. Kern
District Director