Department of the Treasury

GROUP EXEMPTION #-925

Internal Revenue Service
Washington, DC 20224

Date: MAR 26 1973

In reply refer to: T:MS:EO:R:1

The American Legion
National Headquarters
Indianapolis, Indiana 46206

EIN 35-0144250
DO 52

Gentlemen:

This refers to your letter dated January 2, 1973, in which you ask that your ruling letter of March 14, 1946, be modified to show that you are recognized to be exempt from Federal income tax under section 501(c)(19) of the Internal Revenue Code. You state, and the information furnished shows, that membership in your organization is limited to persons who served in the Armed Services of the United States during a period of war.

Our records show that on March 14, 1946, you and your subordinate departments and posts were recognized to be exempt from Federal income tax under section 101(8) of the 1939 Code (this now corresponds to section 501(c)(4) of the 1954 Code).

Based on the information furnished, we rule that you and your subordinate departments and posts are recognized as being exempt under section 501(c)(19) of the Code.

You are required to file the annual return, Form 990, on or before the 15th day of the 5th month after the end of your annual accounting period if your annual gross receipts are normally more than $5,000. Failure to file the Form 990 by this date may subject you to a penalty of $10 for each day during which such failure continues, up to a maximum of $5,000. Your subordinates will have to file an annual information return, Form 990, if their gross receipts in each taxable year are normally more than $5,000.

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If you do not include the subordinates in a group return, each must file an annual return by the 15th day of the 5th month after its annual accounting period closes.

You and your subordinates are not required to file Federal income tax returns unless you or your subordinates are subject to the tax on unrelated business income under section 511 of the Code, if so, you and your subordinates must file an income tax return on Form 990-T. In this letter we are not determining whether any of your, or your subordinates', present or proposed activities is unrelated trade or business as defined in section 513 of the Code.

Unless specifically excepted, you and your subordinates are liable for taxes under the Federal Insurance Contributions Act (social security taxes). Also, unless excepted, you and your subordinates are liable for tax under the Federal Unemployment Tax Act if, during the current or preceding calendar year, you have one or more employees at any time in each of 20 weeks, or you pay wages of $1,500 or more in any calendar quarter. Any questions concerning excise, employment, or other Federal taxes should be submitted to your key District Director in Baltimore, Maryland.

Contributions made to your exempt subordinate units are deductible as provided by section 170 of the Code.

You should advise each of the subordinates of the provisions of this ruling, including the requirement for filing information or other returns.

Each year within 45 days after the close of your annual accounting period, please send the following to the Philadelphia Service Center, 11601 Roosevelt Boulevard, Philadelphia, Pennsylvania 19155, Attention: EOR Branch:

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1. A statement describing any changes during the year in the purposes, character, or method of operation of your subordinates.

2. A list of the names, mailing addresses including ZIP Codes, and employer identification numbers (if required for group exemption letter purposes) of subordinates on your group exemption roster that during the year:

   a. changed names or addresses;

   b. were deleted from the roster;

   c. were added to the roster. ✓

   An annotated directory of subordinates will not be accepted for this purpose.

3. For subordinates added to the roster, a letter signed by one of your principal officers containing or attaching:

   a. a statement that the information which your present group exemption letter is based applies to the new subordinates;

   b. a statement that each has given you written authorization to add its name to the roster;

   c. a list of those to which the Service previously issued rulings or determination letters relating to exemption.

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4. If applicable, a statement that your group exemption roster did not change during the year.

To the extent that this ruling is inconsistent with it this ruling modifies our ruling issued to you on March 14, 1946.

Your key District Director is being advised of this action.

Sincerely yours,

Dwain B. Johnson

Director,
Miscellaneous and Special
Provisions Tax Division