

**Internal Revenue Service**

**Department of the Treasury**

Washington, DC 20224

The Modesto Peace/Life Center  
922 Sixth Street  
Modesto, CA 95353

Person to Contact:

Telephone Number:

Refer Reply to:

OP:E:EO:T:R:5

Date:

Employer Identification Number: 94-2800825  
Key District: San Francisco  
Accounting Period Ending: December 31  
Foundation Status Classification: 509(a)(1)  
Advance Ruling Period Ends: December 31, 1985

Gentlemen:

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

Based on the information submitted 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 Code beginning May 17, 1983.

Section 508(a)(2) of the Code states that an organization organized after October 9, 1969, shall not be treated as an organization described in section 501(c)(3) for any period before the giving of notice that it is applying for recognition of exempt status, if such notice is given after the time prescribed by regulation.

Section 1.508-1(a)(2) of the Income Tax Regulations states that an organization seeking exemption under section 501(c)(3) must file the notice described in section 508(a) within 15 months from the end of the month in which the organization was organized, or before March 22, 1973, whichever comes later. Such notice is filed by submitting a properly completed and executed Form 1023, exemption application with the District Director.

The available information shows that your application for exemption was received by your key District Director May 17, 1983, which is more than 15 months from the date you were established.

Because we are considering you a new organization we are not now making a final determination of your foundation status under section 509(a) of the Code. However, we have determined that you can reasonably be expected to be a publically supported organization of the type described in sections 509(a)(1) and 170(b)(1)(A)(vi) of the Code.

Re: The Modesto Peace/Life Center

Accordingly, you will be treated as a publicly supported organization, and not as a private foundation, during an advance ruling period. This advance ruling period begins on the date your application was received by your key District Director and ends on the date shown above.

Within 90 days after the end of your advance ruling period, you must submit 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 establish that you have been a publicly supported organization, you will be classified as a section 509(a)(1) 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, 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 date of your inception for purposes of sections 507(d) and 4940.

Grantors and donors may rely on the determination that you are not a private foundation until 90 days after the end of your advance ruling period. If you submit the required information within the 90 days, grantors and donors may continue to rely on the advance determination until the Service makes a final determination of your foundation status. However, if notice that you will no longer be treated as a section 509(a)(1) organization is published in the Internal Revenue Bulletin, grantors and donors may not rely on this determination 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 section 509(a)(1) status or acquired knowledge that the Internal Revenue Service had given notice that you would be removed from classification as a section 509(a)(1) organization.

If your sources of support, or your purposes, character, or method 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.

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 your key District Director. You are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA). Beginning January 1, 1984, unless specifically excepted, 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.

The Modesto Peace/Life Center

Organizations that are not private foundations 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 any Internal Revenue Service office.

Beginning May 17, 1983, donors may deduct contributions to you as provided in section 170 of the Code. Also beginning May 17, 1983, 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.

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 \$10,000. 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. The law imposes 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.

For tax years ending on and after December 31, 1982, organizations whose gross receipts are not normally more than \$25,000 are excused from filing Form 990. For guidance in determining if your gross receipts are "normally" not more than the \$25,000 limit, see the instructions for the 1982 Form 990.

Beginning May 17, 1983, 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.

// For the period prior to May 17, 1983, you are required to file federal income tax returns on form 1120 with the key District Director. //

If you wish to have your status for federal income tax purposes considered under section 501(c)(4) of the Code for the years prior to May 17, 1983, you may, if you so desire, file an exemption application Form 1024, with your key District Director.

Please show your employer identification number on all returns you file and in all correspondence with the Internal Revenue Service.

Re: The Modesto Peace/Life Center

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,

*J. E. Griffith*

J. E. Griffith  
Chief, Rulings Section  
Exempt Organizations  
Technical Branch