



E. O. No. 40

U. S. TREASURY DEPARTMENT
INTERNAL REVENUE SERVICE
DISTRICT DIRECTOR
HELENA, MONTANA

February 5, 1957

IN REPLY REFER TO
A:R:CHL:AE/ma

Memorial Hospital Association
P. O. Box 518
Red Lodge, Montana

Gentlemen:

It is the opinion of this office, based upon the evidence presented, that you are exempt from Federal income tax under the provisions of Section 501(c)(3) of the Internal Revenue Code of 1954, as it is shown that you are organized and operated exclusively for charitable purposes.

Accordingly, you are not required to file income tax returns unless you change the character of your organization, the purposes for which you were organized, or your method of operation. Any such changes should be reported immediately to the District Director of Internal Revenue for your district in order that their effect upon your exempt status may be determined.

You are required, however, to file an information return, Form 990A, annually, with the District Director of Internal Revenue for your district so long as this exemption remains in effect. This form may be obtained from the District Director and is required to be filed on or before the fifteenth day of the fifth month following the close of your annual accounting period.

Contributions made to you are deductible by the donors in computing their taxable net income in the manner and to the extent provided by Section 170 of the Internal Revenue Code of 1954.

Bequests, legacies, devises, or transfers, to or for your use are deductible in computing the value of the net estate of a decedent for estate tax purposes in the manner and to the extent provided by Sections 2055(a) and 2106(a)(2) of the Code. Gifts of property to you are deductible in computing net gifts for gift tax purposes in the manner and to the extent provided in Section 2522(a)(2) and 2522(b)(2) and (3) of the Code.

*990A reported
Hospital and 4/15/57*

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In the event you have not filed a waiver of exemption certificate in accordance with the provisions of Section 3121(k) of the Code, no liability is incurred by you for the taxes imposed under the Federal Insurance Contributions Act. Tax liability is not incurred by you under the Federal Unemployment Tax Act by virtue of the provisions of Section 3306(c)(8) of the Internal Revenue Code.

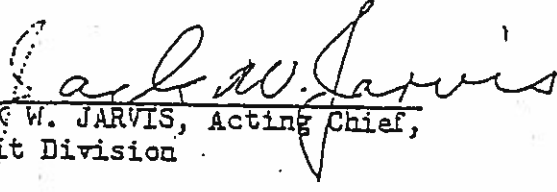
Your attention is called to the provisions of Section 501(c)(3) of the Internal Revenue Code of 1954 under which the exemption hereby granted will be revoked if any substantial part of your activities consists of carrying on propaganda, or otherwise attempting to influence legislation, or if you participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of any candidate for public office.

This letter affirms the prior tentative ruling issued by the Commissioner of Internal Revenue to your organization on October 19, 1948 (Symbols IT:P-ER-WJP).

Very truly yours,

FRANK J. HEALY,
District Director

By:


JACK W. JARVIS, Acting Chief,
Audit Division