

INTERNAL REVENUE SERVICE
DISTRICT DIRECTOR
1100 COMMERCE STREET
DALLAS, TX 75242

DEPARTMENT OF THE TREASURY

Date: NOV 04 1996

Employer Identification Number:
42-0331186

Case Number:
366299062

Contact Person:
JULIA WIECZOREK

Contact Telephone Number:
(414) 798-8320

VETERANS OF FOREIGN WARS OF THE
UNITED STATES DEPT OF IOWA
1601 BEAVER AVENUE
DES MOINES, IA 50310-3296

Addendum Applies:
YES

Dear Applicant:

We have considered your application for a group exemption letter recognizing your subordinates as exempt from federal income tax under section 501(a) of the Internal Revenue Code as organizations of the type described in section 501(c)(19).

Our records show that you were recognized as exempt from federal income tax under section 501(c)(19) of the Code. Your exemption letter remains in effect.

Based on information you supplied, we recognize your subordinates whose names appear on the list you submitted as exempt from federal income tax under section 501(c)(19) of the Code.

This determination is based on the fact that at least 75 percent of each of your subordinates' members are past or present members of the Armed Forces of the United States, as defined in Code section 501(c)(19). It is also based on the fact that substantially all of your subordinates' other members, if any, are individuals who are cadets, or are spouses, widows, or widowers of past or present members of the Armed Forces of the United States or of cadets. Please let us know if any of your subordinates no longer meets these membership percentage requirements.

Donors may deduct contributions made to or for the use of your subordinates that qualify as war veterans organizations. To so qualify, at least 99 percent of a subordinate's members must be war veterans.

Your subordinates whose gross receipts each year are normally more than \$25,000 are each required to file Form 990, Return of Organization Exempt From Income Tax, by the 15th day of the fifth month after the end of their annual accounting period. If you prefer, you may file a group return for those subordinates that authorize you in writing to include them in that return. If you are required to file Form 990 for your own activities, you must file a separate return and may not be included on any group return that you file for your subordinates. The law imposes a penalty of \$10 a day when a return is filed late, unless there is reasonable cause for the delay. However, the maximum penalty imposed cannot exceed \$5,000 or 5 percent of gross receipts for the year, whichever is less. This penalty may also be charged if a return is not complete, so your subordinates should make sure their returns are complete before filing them. Please advise your subordinates that, if they receive a

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Form 990 package in the mail, they should file the return even if their gross receipts do not exceed the \$25,000 minimum. If not required to file, a subordinate should simply attach the label provided, check the box in the heading to indicate that its annual gross receipts are normally \$25,000 or less, and sign the return. This will allow us to update our records to show that the subordinate is not required to file and to delete that subordinate from the list of organizations that will receive Form 990 packages in future years.

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

Unless specifically excepted, each of your subordinates is liable for social security (FICA) taxes for each employee to whom the subordinate paid \$100 or more during a calendar year and unemployment (FUTA) taxes for each employee to whom the subordinate paid \$50 or more in a calendar quarter. FUTA tax is due for each of these employees only if the subordinate paid total wages of \$1,500 or more during any calendar quarter, or if the subordinate had any employees in any 20 calendar weeks during the year.

Each year, at least 90 days before the end of your annual accounting period, please send the items listed below to the Internal Revenue Service Center at the address shown below.

1. A statement describing any changes during the year in the purposes, character, or method of operation of your subordinates;
2. A list showing the names, mailing addresses (including Postal ZIP codes), actual addresses if different, and employer identification numbers of subordinates that, since your previous report:
 - a. Changed names or address;
 - b. Were deleted from your roster; or
 - c. Were added to your roster.
3. For subordinates to be added, attach:
 - a. A statement that the information on 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 exemption rulings or determination letters;
 - d. A statement that none of the subordinates is a private foundation as defined in section 509(a) of the Code if the group exemption letter covers organizations described in section 501(c)(3);
 - e. The street address of each subordinate whose mailing address is a P.O. Box; and

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- f. The information required by Revenue Procedure 75-50, 1975-2 C.B. 587, for each subordinate that is a school claiming exemption under section 501(c)(3). Also include any other information necessary to establish that the school is complying with the requirements of Revenue Ruling 71-447, 1971-2 C.B. 230. This is the same information required by Schedule A, Form 1023, Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code.
4. If applicable, a statement that your group exemption roster did not change since your previous report.

The above information should be sent to the following address:
Internal Revenue Service Center
2306 East Bannister Road
Kansas City, MO 64131
Attention: Stop 42 ENTITY CONTROL UNIT

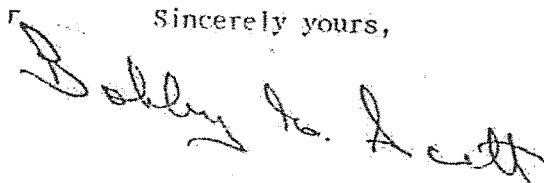
The service center that processes your returns will send you a Group Exemption Number. Your subordinates are required to include this number on each Form 990, Return of Organization Exempt From Income Tax, and Form 990-T, Exempt Organization Business Income Tax Return, that they file. Please advise your subordinates of this requirement and provide them with the Group Exemption Number.

If the heading of this letter indicates that an addendum applies, the enclosed addendum is an integral part of this letter.

Because this letter could help resolve any questions about the exempt status and foundation status of your subordinates, you should keep it for your records.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely yours,



Bobby E. Scott
District Director

Enclosure(s):
Addendum

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Previously, we recognized your subordinates as exempt social welfare organizations under section 501(c)(4).

Based on the information submitted, in this letter, we are granting your request to recognize your subordinates as exempt under section 501(c)(19).