

Department of the Treasury

JAN 25 1972

Internal Revenue Service

Washington, D.C. 20543

JAN 24 1972

In reply refer to

T:MS:EO:R:2



The Mathematical Association  
of America, Incorporated  
1225 Connecticut Avenue, N.W.  
Washington, D.C. 20036

Gentlemen:

This refers to the information submitted for use in determining the status of your local sections for Federal income tax purposes.

In our ruling addressed to you on September 17, 1952, it was held that you are exempt from Federal income tax under the provisions of section 101(6) of The Internal Revenue Code of 1939, which corresponds to section 501(c)(3) of the 1954 Code. This ruling was applicable only to you and did not include any of your local sections.

Based on the information supplied, we rule that your local sections named in the group exemption roster you submitted are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code, as it is shown that your listed local sections are organized and operated exclusively for educational purposes.

We have further determined that your local sections are not private foundations within the meaning of section 509(a) of the Code, because they are organizations described in section 509(a)(2) of the Code.

If the gross receipts annually are normally more than \$5,000 for each of your exempt local sections, they are required to file Form 990, Return of Organization Exempt From Federal Income Tax, by the 15th day of the fifth month after the end of their annual accounting period unless you include the local sections in a group return. The law imposes a penalty of \$10 a day, up to a maximum of \$5,000 for failure to file a return on time.

The exempt local sections are not required to file Federal income tax returns unless they are subject to the tax on unrelated business income under section 511 of the Code. If the

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exempt local sections are subject to this tax, they must file an income tax return on Form 990-T. In this letter we are not determining whether any of the exempt local sections present or proposed activities is unrelated trade or business as defined in section 513 of the Code.

Organizations that are not private foundations are not subject to the excise taxes under Chapter 42 of the Code. However, your exempt local sections are not automatically exempt from other Federal excise taxes.

Your exempt local sections are not liable for the taxes under the Federal Insurance Contributions Act (social security taxes) unless such local sections file a waiver of exemption certificate as provided in that Act. Your exempt local sections are not liable for the tax under the Federal Unemployment Tax Act. However, your exempt local sections are required to withhold Federal income taxes on their employees. Inquiries about the waiver of exemption certificate for social security taxes, or any questions concerning excise, employment, or other Federal taxes should be addressed to the District Director of Internal Revenue, 31 Hopkins Plaza, Baltimore, Maryland 21201, which is your key district for exempt organization matters.

Donors may deduct contributions to your exempt local sections as provided by section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to or for the use of your exempt local sections are deductible for Federal estate and gift tax purposes under sections 2055, 2106 and 2522 of the Code.

Each year within 45 days after your annual accounting period closes, please send us two copies of the following information about your local sections:

1. A statement describing any changes during the year in the purposes, character or method of operation of your local sections.
2. A list of the names, mailing addresses including Postal ZIP Codes, and employer identification numbers (if required for group exemption letter purposes) of local sections on your group exemption roster that during the year:
  - a. changed names and addresses;
  - b. were deleted from roster; and
  - c. were added to the roster.

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A directory of local sections may be substituted for this list if it includes the required information and identifies the affected local sections according to the three categories above.

3. For local sections added to the roster a letter signed by one of your principal officers contained or attaching:
  - a. a statement that the information upon which your present group exemption letter is based applies to the new local sections;
  - 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; and
  - d. a statement that none of the new local sections are private foundations as defined in section 509(a) of the Code.
4. If applicable, a statement that your group exemption roster did not change during the year.

The rulings or determination letters issued to the Kansas Section, Topeka, Kansas and the Texas Section, Abilene, Texas, are superseded by this ruling.

You should advise each of your exempt local sections of the exemption and the pertinent provisions of this ruling.

The District Directors of Internal Revenue concerned are being advised of this Action.

Sincerely yours,

*J. A. Rederso*  
Chief, Rulings Section  
Exempt Organizations Branch

Enclosure