



TREASURY DEPARTMENT

WASHINGTON

OFFICE OF
COMMISSIONER OF INTERNAL REVENUE

ADDRESS REPLY TO
COMMISSIONER OF INTERNAL REVENUE
AND REFER TO
IT:RR:SET

JUL 19 1938

Fuller E. Callaway Foundation,
Lagrange, Georgia.

Sirs:

Reference is made to the evidence submitted in support of your claim for exemption from Federal income taxation.

The evidence indicates that you were incorporated without capital stock in 1917 under the laws of the State of Georgia as Relief Association to engage in charitable, religious, hospital, social, literary, educational and eleemosynary work and to aid, promote and operate organizations engaged in such work; to operate training schools for nurses; and generally to aid in the physical, mental, moral, social and religious betterment of mankind. In 1936 your charter was amended, your name was changed to the present one, and the statement made that the corporation was not organized for individual pecuniary profit, that it should have no capital stock, and that no individual should have any interest in its assets or profits.

It appears that your purposes are being carried out. The foundation was established by the late Mr. Fuller E. Callaway and your income is derived from contributions and interest on investments. Contributions are currently made to persons who are sick or needy, to aid others in going to school and for cases of need as commonly arise. In addition, contributions are made to homes for aged people, hospitals, churches, Boy Scouts and similar organizations and the operation of charitable clinics. Larger contributions are made periodically for more common purposes such as tracts of land for park purposes. In general, the income is used for needy individuals, charitable organizations, and for more permanent and substantial aids to the people of your city and county.

Based upon the facts presented, it is held that you are entitled to exemption under the provisions of section 101(6) of the Revenue Act of 1938 and the corresponding provisions of prior

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revenue acts. You are not, therefore, required to file returns of income so long as there is no change in your organization, your purposes, or method of operation.

Any changes in your form of organization or method of operation, as shown by the evidence submitted, must be immediately reported to the collector of internal revenue for your district, in order that the effect of such changes upon your present exempt status may be determined.

The exemption referred to in this letter does not apply to taxes levied under other titles or provisions of the respective revenue acts except insofar as exemption is granted expressly under those provisions to organizations enumerated in section 101 of the Revenue Act of 1938 and the corresponding provisions of prior revenue acts.

Contributions to your organization by individual donors are deductible by such individuals in arriving at their taxable net income in the manner and to the extent provided by section 23(o) of the Revenue Act of 1938 and the corresponding provisions of prior revenue acts. The deductibility of contributions by corporations is governed by section 23(q) of the Revenue Acts of 1936 and 1938.

A copy of this letter is being transmitted to the collector of internal revenue for your district.

By direction of the Commissioner.

Respectfully,



Deputy Commissioner.