

Internal Revenue Service

Department of the Treasury

Washington, DC 20224

Experimental Aircraft Association
Anchorage, Alaska, Chapter 42, Inc.
2441 O'Malley Road
Anchorage, AK 99516

Person to Contact:

Mr. Jankowitz

Telephone Number: (202)566-6160

Refer Reply to:

Date: 7 JAN 1987 OP:E:EO:R:4

Employer Identification Number: 92-0113045
Key District: Seattle
Accounting Period Ending: January 31
Foundation Status Classification: 509(a)(2)

Dear Applicant:

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

Our records show that you are presently exempt from federal income tax under section 501(c)(4) of the Code.

Based on information supplied 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. Our determination letter dated October 6, 1986, recognizing you as exempt under section 501(c)(4) of the Code is hereby modified to the extent that it is inconsistent with this ruling letter.

We have further determined that you are not a private foundation within the meaning of Code section 509(a), because you are an organization described in the sections of the Code shown above.

If your sources of support, or your purposes, character, or methods of operation change, please let your key district know so that our office can consider the effect of the changes on your exempt status and foundation status. Also, you should inform your key District Director of all changes in your name or address.

Unless specifically excepted, beginning January 1, 1984, 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. You are not required to pay tax under the Federal Unemployment Tax Act (FUTA).

Since you are not a private foundation, you 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 your key District Director.

Donors may deduct contributions to you as provided in Code section 170. 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.

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You are required to file Form 990, Return of Organization Exempt for Income Tax, only if your gross receipts each year are normally more than \$25,000. If your gross receipts are not normally more than \$25,000 we ask that you establish that you are not required to file Form 990 by completing Part I of that Form for your first tax year. Thereafter, you will not be required to file a return until your gross receipts normally exceed the \$25,000 minimum. For guidance in determining if your gross receipts are "normally" not more than the \$25,000 limit, see the instructions for the Form 990. 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. There is a penalty of \$10 a day, up to a maximum of \$5,000, when a return is filed late unless you establish, as required by section 6652(d)(1), that the failure to file timely was due to reasonable cause.

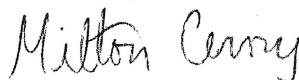
You are not required to file federal income tax returns unless you are subject to the tax on unrelated business income under Code section 511. If you are subject to this tax, you must file an income tax return on Form 990-T, Exempt Organization Business Income Tax Return. In this letter, we are not determining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

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

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,



Milton Cerny
Chief, Exempt Organizations
Rulings Branch