

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

MAR 18 1982

Gentlemen:

We have considered your application for recognition of exemption from Federal income tax under section 501(c)(13) of the Internal Revenue Code.

The evidence submitted discloses that you were organized [REDACTED].

The purpose and ends of this Trust, and the accomplishment to be thereby obtained are to invest the principal, reinvest it from time to time, to keep invested as required by law for the investment of such funds, and the net income arising therefrom shall be used solely for the general care and maintenance of the property entitled to perpetual care in the cemetery for which the fund is established, and shall be applied in such manner as the corporation may from time to time determine to be for the best interest of the cemetery or cemeteries for which a fund is established hereunder, but shall never be used for improvement or embellishment of unsold property to be offered for sale.

You also state in Schedule H of Form 1024 that the cemetery has elected to be taxed as a profit making organization.

Section 501(c) of the Code describes certain organizations exempt from Federal income tax under section 501(a) and reads in part, as follows:

"(13)Cemetery companies owned and operated exclusively for the benefit of their members or which are not operated for profit; and any corporation chartered solely for the purpose of the disposal of bodies by burial or cremation which is not permitted by its charter to engage in any business not necessarily incident to that purpose and no part of the net earnings of which inures to the benefit of any private shareholder or individual."

	Initiator	Reviewer	Reviewer	Reviewer	Reviewer	Reviewer	Re
File		[REDACTED]					
Name							
Date		3-17-82					

Section 1.501(c)(13)-1 of the regulations provides, in part, as follows:

"(a) A cemetery company may be entitled to exemption -

(1) If it is owned by and operated exclusively for the benefit of its lot owners who hold such lots for bona fide burial purposes and not for purpose of resale, or

(2) If it is not operated for profit."

Revenue Ruling 64-217, 1964-2 C.B. 153 states that a perpetual care fund, the income of which is turned over to a profit-making cemetery company for use in connection with the maintenance of the cemetery properties and the burial lots, is not entitled to exemption from Federal income taxation as an organization described in section 501(c)(13) of the Internal Revenue Code of 1954.

On the basis of information furnished, we conclude that you are not exempt from Federal income tax under Code section 501(c)(13) because you are operating to benefit a for-profit cemetery.

If you do not agree with these conclusions, you may, within 30 days from the date of this letter, file in duplicate a brief of the facts, law, and argument that clearly sets forth your position. If you desire an oral discussion of the issue, please indicate this in your protest. The enclosed Publication 892 gives instructions for filing a protest.

If you do not file a protest with this office within 30 days of the date of this report or letter, this proposed determination will become final.

If you agree with these conclusions or do not wish to file a written protest, please sign and return Form 6018 in the enclosed self-addressed envelope as soon as possible.

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

Sincerely yours,

District Director

Enclosures:
Publication 892
Form 6018