

Rev. Rul. 67-342, 1967-2 C.B. 187

A nonprofit organization which is formed and operated to educate the public on the need for international cooperation in order to create and maintain a peaceful world and which disseminates its educational material by means of commercial television may qualify for exemption from Federal income tax under section 501(c)(3) of the Internal Revenue Code of 1954.

Advice has been requested whether a nonprofit organization formed and operated as described below qualifies for exemption from Federal income tax under section 501(c)(3) of the Internal Revenue Code of 1954.

The organization was formed to educate the public on the need for international cooperation, particularly in the social and economic spheres to create and maintain a peaceful world.

The organization produces educational films which are initially presented to the public on commercial television. These educational films illustrate various activities conducted throughout the world which are a part of an overall program of international cooperation.

The films are made available to the public on commercial television through the support of commercial firms which purchase the time as a public service. The only credit which the sponsors receive is a statement to the effect that the program has been paid for as a public service. No mention is made of products or services sold by the sponsors. Thereafter, the films are made available to schools, churches, and other non-profit organizations free of charge.

The organization is supported by contributions. Any surplus funds are given to other organizations exempt from Federal income tax under section 501(c)(3) of the Code.

Section 501(c)(3) of the Code provides for the exemption from Federal income tax of organizations organized and operated exclusively for charitable and educational purposes.

Section 1.501(c)(3)-1(d)(3) of the Income Tax Regulations provides that the term 'educational' as used in section 501(c)(3) of the Code relates to the instruction of the public on subjects useful to the individual and beneficial to the community. Examples of educational organizations set out in that section of the regulations include an organization with activities consisting of presenting public discussion groups, forums, panels, lectures, or other similar programs. Such programs may be on radio or television.

The televising of the material of the type described provides an effective means for the increased dissemination and advancement of knowledge on a subject of concern to the general public. The

limited references during the telecasts to the firms sponsoring the programs do not constitute commercial exploitation of the program. Accordingly, the organization qualifies for exemption from Federal income tax under section 501(c)(3) of the Code.

An organization which considers itself within the scope of this Revenue Ruling must, in order to establish exemption under section 501(c)(3) of the Code, file an application on Form 1023, Exemption Application, with the District Director of Internal Revenue for the internal revenue district in which is located the principal place of business or principal office of the organization. See section 1.501(a)-1 of the regulations.