

A nonprofit organization organized and operated to preserve and develop the beauty of a city may be exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code of 1954.

A nonprofit organization formed to promote and assist in city beautification projects and to educate the public in the advantages of street planting has applied for exemption from Federal income tax under section 501(c)(3) of the Internal Revenue Code of 1954.

The organization plants trees in public areas for which the city does not have sufficient funds; cooperates with municipal authorities in all phases of street tree planting and in programs to keep the city clean; educates the public in the advantages of tree planting through newspapers, radio, and distributed literature; encourages architects and builders to include planting with any new building or remodeling projects; and supports other charitable and educational organizations whose primary interest is to preserve and develop the beauty of the city.

The income of the organization is derived from contributions.

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

Section 1.501(c)(3)-1(d)(2) of the Income Tax Regulations defines the term 'charitable' as including lessening the burdens of government and promotion of social welfare by organizations designed to combat community deterioration.

Section 1.501(c)(3)-1(d)(3) of the regulations defines the term 'educational' as including the instruction of the public on subjects useful to the individual and beneficial to the community.

By planting trees in public areas and assisting municipal authorities in their programs to plant trees and keep the city clean, the organization is lessening the burdens of government. The organization's informational program directed to the public, architects, and builders is educational. The overall effect of these activities is to combat community deterioration. Accordingly, the organization is exempt 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.