

Defense of religious sect members. An organization that provides funds to defend members of a religious sect in legal actions involving substantial constitutional issues of state abridgement of religious freedom is exempt under section 501(c)(3) of the Code.

Advice has been requested whether an organization that otherwise qualifies for exemption from Federal income tax under section 501(c)(3) of the Internal Revenue Code of 1954 is operated for charitable purposes where its only activities are those described below.

The organization was formed to protect the religious liberties of the members of a long established religious sect. Because the tenets of their religion forbid them to act in a particular manner, members of this sect have violated state laws in practicing their religious beliefs. Furthermore, the tenets of their religion forbid them from defending themselves in court when prosecuted for these violations.

The sole activity of the organization is providing funds for the defense of various members of the sect prosecuted for violations of state law caused by the practice of their religious beliefs. The organization only aids in the defense of legal actions which involve a substantial constitutional issue of state abridgement of religious freedom. None of the members of the organization belongs to the religious sect.

The organization is supported by contributions from the general public. None of the contributions is from members of the religious sect. The organization's disbursements are for litigating expenses and miscellaneous administrative expenses.

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

Section 1.501(c)(3)-1(d)(2) of the Income Tax Regulations defines the term 'charitable' as including the promotion of social welfare by organizations designed to defend human and civil rights secured by law.

Freedom of religion is one of the fundamental freedoms guaranteed by the United States Constitution. The First Amendment to the Constitution, as made applicable to the states by the Fourteenth Amendment, specifically forbids the states from enacting laws prohibiting the free exercise of religion. Therefore, by providing funds for the defense of prosecutions which involve substantial constitutional issues of state abridgement of religious freedom, the organization is promoting social welfare by defending human and civil rights secured by law.

Accordingly, the organization's activities are charitable and, since it otherwise qualifies for exemption, the organization is exempt under section 501(c)(3) of the Code.

Even though an organization considers itself within the scope of this Revenue Ruling, it must file an application on Form 1023, Application for Recognition of Exemption, in order to be recognized by the Service as exempt under section 501(c)(3) of the Code. The application should be filed with the District Director of Internal Revenue for the 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.