

Rev. Rul. 74-488, 1974-2 C.B. 166

A nonprofit organization was formed for the purpose of encouraging better and more economical methods of fish farming and promoting the interests of those engaged in such pursuits. Its membership is restricted to persons engaged in raising fish as a cash crop on farms. The organization does not engage in the marketing of products of its members or assume any responsibility in connection therewith.

Held, the production of fish on privately-owned fish farms is an agricultural activity within the meaning of section 501(c)(5) of the Internal Revenue Code of 1954.

See Rev. Rul. 64-246, 1964-2 C.B. 154, which holds that farm-raised fish are farm products for purposes of section 521; see also section 1.175-3 of the Income Tax Regulations, which defines the business of farming to include fish farming. Accordingly, the organization described above is an agricultural organization, and, if otherwise qualified, is exempt from Federal income tax pursuant to section 501(c)(5) of the Code.