

Annual return; church-affiliated college. A church-affiliated college exempt from tax under section 501(c)(3) of the Code that trains ministers and lay workers to serve religious functions in the church is an integrated auxiliary of a church within the meaning of section 1.6033-2(g)(5)(i) of the regulations and is not required to file an annual return on Form 990.

'Advice has been requested whether the organization described below is required by section 6033 of the Internal Revenue Code of 1954 of file an annual return on Form 990.

The organization is a college exempt from Federal income tax under section 501(c)(3) of the Code and is affiliated (within the meaning of section 1.6033-2(g)(5)(iii) of the Income Tax Regulations) with a church. The organization was founded by the church to provide an authorized training center for Christian workers and prospective ministers.

'The organization offers three training programs. The Sunday School Teacher Training Course trains teachers for the church's Sunday School. The Junior Bible College Course is a two-year program in religious study for persons holding an advanced teacher's certificate. The Bachelor of Religious Education Course, which is also the Pastor Preparatory Course, trains ministers, Christian workers, and missionaries and provides them with a religious and general educational background for church work. Although each course of study includes secular as well as religious subjects, the principal emphasis in each course of study is on religious subjects. A degree of Bachelor of Religious Education is conferred upon graduates of the Religious Education Course and a certificate to teach Sunday school upon graduates of the other courses.

'Section 6033(a)(1) of the Code provides, in part, that, with certain exceptions, every organization exempt from taxation under section 501(a) shall file an annual return.

'Section 6033(a)(2)(A)(i) of the Code provides that churches, their integrated auxiliaries, and conventions or associations of churches are excepted from filing an annual return.

'Section 1.6033-2(g)(5)(i) of the regulations provides that the term 'integrated auxiliary of a church' means an organization which is exempt from taxation as an organization described in section 501(c)(3), affiliated with a church, and whose principal activity is exclusively religious.

'Section 1.6033-2(g)(5)(ii) of the regulations provides that an organization's principal activity will not be considered to be exclusively religious if that activity is educational, literary, charitable, or of another nature (other than religious) that would

serve as a basis for exemption under section 501(c)(3) of the Code.

Section 1.6033-2(g)(5)(iii) of the regulations provides that, for purposes of section 1.6033-2(g)(5), the term 'affiliated' means either controlled by or associated with a church or with a convention or association of churches.

'Section 1.6033-2(g)(5)(iv) of the regulations provides that organizations which are integrated auxiliaries include a men's or women's organization, a religious school (such as a seminary), a mission society, or a youth group.

'The described organization's principal activity and the basis for its exemption is preparing ministers and laymen to serve religious functions in the church. Training individuals for church service is a religious activity characteristic of a religious school as that term is used in section 1.6033-2(g)(5)(iv) of the regulations.

'Since the principal activity of the organization is exclusively religious and because it is exempt from Federal income tax under section 501(c)(3) of the Code and affiliated (within the meaning of section 1.6033-2(g)(5)(iii) of the regulations) with a church, it is an integrated auxiliary of a church within the meaning of section 1.6033-2(g)(5)(i) of the regulations.

'Accordingly, the organization is not required by section 6033 of the Code to file an annual return of Form 990.