

Internal Revenue Service

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LEGEND

Institute =

Dear _____ :

This letter responds to a letter dated August 26, 2016, and subsequent correspondence, requesting a ruling that providing pet visitation as therapy to hospitalized individuals is in furtherance of Institute's exempt purposes under § 501(c)(3) of the Internal Revenue Code.¹

FACTS

Institute is recognized by the Internal Revenue Service (Service) as an organization described in § 501(c)(3). Its articles of incorporation provide that Institute is organized exclusively for purposes described in § 501(c)(3), and, in particular, to conduct oncology research and education, emphasizing the development, diagnosis, treatment, and prevention of malignant tumors in humans and animals, and to advance medical research and education emphasizing recognition, prevention, and treatment of diseases.

Institute proposes to initiate a pet therapy program (Program). The goal of the Program is to provide playful interaction between therapy dogs and hospital inpatients, particularly children, and elderly nursing home residents. Institute believes that children and the elderly will derive a positive and therapeutic psychological and emotional

¹ The Internal Revenue Code of 1986, as amended, to which all subsequent "section" references are made unless otherwise indicated.

benefit from their interaction with therapy dogs, which will lift their spirits and improve their ability to cope with anxiety.

The Program will use registered therapy dogs that are health certified and have been trained and tested to act as therapy dogs around children and the elderly. Initially, the therapy dogs will be accompanied by an experienced handler who is qualified to conduct pet therapy sessions. Therapy sessions will be conducted at hospitals and nursing homes at no fee to the participant, the hospital, or the nursing home.

The Program will solicit volunteer handlers to take their dogs to hospitals and nursing homes. A dog will be accepted into the Program only if it has a proper health certificate and has been trained and tested for suitability as a therapy dog around children and the elderly. Volunteer handlers must pass a criminal background check, be adequately insured to cover the risks inherent with pets, and be trained and certified to conduct pet therapy sessions. Once selected for the Program, the volunteer handler will be personally trained and tested by a Program officer, and will be expected to demonstrate a genuine passion for the Program's mission. The owner of any dog participating in the Program will be responsible for the cost of training, certifying, and registering his or her dog as a therapy dog, as well as all costs of maintaining and caring for the dog.

Institute's directors intend to promote the Program to hospital and nursing home administrators. If it is determined that the Program is suitable at a particular hospital or nursing home, Institute will enter into an agreement with that hospital or nursing home to provide pet therapy to its patients or residents on a regular weekly schedule.

RULING REQUESTED

Institute has requested the following ruling:

Providing pet visitation as therapy to hospitalized individuals is in furtherance of Institute's exempt purposes under § 501(c)(3).

LAW

Section 501(a) provides generally that an organization described in § 501(c) is exempt from federal income taxes.

Section 501(c)(3) describes entities that are organized and operated exclusively for charitable, educational, scientific, and certain other purposes.

Section 1.501(c)(3)-1(c)(1) of the Income Tax Regulations (the "regulations") provides that an organization will be regarded as "operated exclusively" for one or more exempt purposes only if it engages primarily in activities which accomplish one or more of such exempt purposes specified in § 501(c)(3). An organization will not be so regarded if

more than an insubstantial part of its activities is not in furtherance of an exempt purpose.

Section 1.501(c)(3)-1(d)(1)(i) of the regulations includes “charitable” among the purposes for which an organization described in § 501(c)(3) may be exclusively organized and operated.

Section 1.501(c)(3)-1(d)(2) of the regulations provides that the term “charitable” is used in § 501(c)(3) in its generally accepted legal sense, and includes relief of the poor and distressed.

Rev. Rul. 68-73, 1968-1 C.B. 251, considers whether an organization created to minister to the non-medical needs of patients of a proprietary hospital by reading to them, writing letters for them, and providing other similar personal services in an effort to improve their mental well-being and physical comfort qualifies for exemption under § 501(c)(3). The organization is not related to or controlled by the proprietary hospital. The services are not of a type that is ordinarily provided by a hospital, and members of the organization are not permitted to engage in any activity performed by the hospital staff or employees in the ordinary course of hospital operations. Membership in the organization is open to anyone in the community. In concluding that the organization is exempt from federal income tax under § 501(c)(3), the Service said that by ministering to the needs of hospital patients by performing personal services in an effort to improve the mental well-being and physical comfort of those patients, the organization is performing charitable acts. The fact that these acts are performed in a proprietary hospital is not material because the primary beneficiaries are the patients, and any benefits to the hospital are merely incidental.

Rev. Rul. 72-124, 1972-1 C.B. 145, considers whether an organization formed for the purpose of establishing and operating a home for the elderly is organized and operated exclusively for charitable purposes. In concluding that the organization is exempt from Federal income tax under § 501(c)(3), the Service recognized that the elderly, as a class, are highly susceptible to unique forms of distress due to their special needs in advanced age, and said that satisfaction of these special needs, which contributes to the prevention and elimination of the causes of these unique forms of distress, may, in the proper context, constitute charitable purposes or functions.

Rev. Rul. 79-17, 1979-1 C.B. 193, considers whether a nonprofit hospice, operated on both an inpatient and outpatient basis to alleviate the physical and mental distress of the terminally ill, is operated exclusively for charitable purposes and qualifies for exemption under § 501(c)(3). The organization assists persons of all ages who have been advised by a physician that they are terminally ill to cope with the distress arising from their conditions. It utilizes and coordinates the professional skills of physicians, nurses, therapists, social workers, the clergy, counselors, and lawyers in a planned effort to alleviate the physical and mental distress of dying persons. It does not seek cures

through extensive medical treatments that may not significantly alter terminal illnesses, but rather focuses on lessening the distress, pain, and physical difficulties experienced by dying persons. In concluding that the organization qualifies for exemption under § 501(c)(3), the Service said that by alleviating the mental and physical distress of terminally ill persons, the organization relieves the distressed within the meaning of § 1.501(c)(3)-1(d)(2) of the regulations.

ANALYSIS

Services provided to hospital patients and other persons in mental or physical distress that are directed to lessening such distress and to improving mental well-being and physical comfort can constitute activities that further charitable purposes under § 501(c)(3). See Rev. Rul. 68-73 and Rev. Rul. 79-17. Furthermore, activities that are specifically designed to meet the special needs of the elderly may constitute a charitable purpose by mitigating or eliminating a unique cause of distress to which the elderly, as a class, are highly susceptible. See Rev. Rul. 72-124.

A hospital patient, particularly if he or she is a child, may suffer mental and physical distress, not only due to his or her illness or incapacity, but also due to being in an unfamiliar and stressful environment. An elderly nursing home resident may suffer from social isolation, loneliness, and depression, forms of distress to which the elderly, as a class, are highly susceptible. The Program will offer hospital patients, particularly children, and elderly nursing home residents the opportunity to participate in pet therapy sessions during which the participant will play with a trained, health-certified, and registered therapy dog, and interact with the dog's handler, who has been trained and who is qualified to conduct pet therapy sessions. These sessions will be conducted with the goal of lessening distress, improving mental well-being, and encouraging socialization. Consequently, the Program, as described above, furthers charitable purposes.

RULING

Based solely on the facts and representations submitted by Institute, we rule as follows:

The Program furthers charitable purposes within the meaning of § 501(c)(3).

The ruling contained in this letter is based upon information and representations submitted by or on behalf of Institute (accompanied by a penalty of perjury statement executed by an individual with authority to bind Institute) and upon the understanding that there will be no material changes in the facts. This office has not verified any of the material submitted in support of the request for rulings, and such material is subject to verification on examination. The Associate office will revoke or modify a letter ruling and apply the revocation retroactively if there has been a misstatement or omission of controlling facts; the facts at the time of the transaction are materially different from the

controlling facts on which the ruling was based; or, in the case of a transaction involving a continuing action or series of actions, the controlling facts change during the course of the transaction. See Rev. Proc. 2017-1, § 11.05.

No ruling is granted as to whether Institute qualifies as an organization described in § 501(c) or § 509(a)(1), (2), or (3), and, except as expressly provided above, no opinion is expressed or implied concerning the federal income tax consequences of any other aspects of any transaction or item of income described in this letter ruling.

This letter ruling is directed only to the taxpayer who requested it. Section 6110(k)(3) provides that it may not be used or cited as precedent.

In accordance with the Power of Attorney on file with this office, a copy of this letter is being sent to your authorized representatives.

Sincerely,

Theodore R. Lieber
Senior Tax Law Specialist
Exempt Organizations Branch 1
(TEGE Associate Chief Counsel)

cc: