

Department of the Treasury

Case #52621721EO

District Director

Internal Revenue Service

Date:

In reply refer to:

September 8, 1976 EO:7204:M.H. Stephens

Telephone: (301) 962-4773

SEP 14 1976

Entered in POC

AIR MAIL

The Fraser Institute

626 Bute Street

Vancouver, B.C. Canada V6E 3M1

Gentlemen:

Based on information supplied, and assuming your operations will be as stated in your exemption application, we have determined that you are exempt from United States income tax under section 501(c)(3) of the Internal Revenue Code. Any change in your purposes, character, or method of operation must be reported to us so we may consider the effect of the change on your exempt status. You must also report any change in your name and address.

We have further determined that you are not a private foundation within the meaning of section 509(a) of the Code because you are an organization described in section 170(b)(1)(A)(vi) of the Internal Revenue Code. Accordingly, you are not subject to the taxes under section 4948(a) of the Code.

Your withholding agent may rely on a copy of this letter to exempt you from withholding of section 4948(a) tax. The procedures for obtaining exemption from withholding on United States source income are contained in section 1.1441-6 of the Income Tax Regulations (26 Code of Federal Regulations).

You are not required to file United States income tax returns for income you receive from sources within the United States while you retain an exempt status, unless you are subject to the tax imposed by section 511 of the Code and are required to file Form 990-T for the purpose of reporting unrelated business taxable income. This income is your unrelated business taxable income derived from sources within the United States, determined under Subchapter N (section 861 and following), relating to tax based on income from sources within or without the United States. In this letter we are not determining whether any of your present or proposed activities are an unrelated trade or business as defined in section 513 of the Code.

The Frazer Institute

If your gross receipts each year are normally more than \$5,000 you are required to file Form 990 Return of Organization Exempt From Income Tax, by the 15th day of the fifth month after the end of your annual accounting period. The law imposes a penalty of \$10 a day, up to a maximum of \$5,000 for failure to file a return on time.

Pursuant to the tax treaty between Canada and the United States, contributions to you are deductible, subject to certain limitations. Bequests, legacies, devises or transfers to or for your use are deductible in computing the taxable estate of a deceased resident or citizen of the United States for United States estate tax purposes in the manner and to the extent provided by sections 2055 and 2106 of the Code. Gifts of property to or for your use are deductible in computing the United States gift tax of a resident or citizen of the United States in the manner and to the extent provided for by section 2522 of the Code.

The payment of membership dues to a charitable organization is deductible as a charitable contribution only to the extent such payment exceeds the monetary value of the benefits and privileges available by reason of such payment. See Revenue Ruling 68-432, published in Cumulative Bulletin No. 1968-2, page 104, which sets forth criteria to be applied in determining whether membership dues to an organization described in section 170(c)(2) of the Code may be in whole or in part deductible as a charitable contribution.

This determination is issued with the understanding that the results of your research will be made available to the interested public on a nondiscriminatory basis. ✓

You need an employer identification number even if you have no employees. If an employer identification number was not entered on your application, a number will be assigned to you and you will be advised of it. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

Please keep this determination letter in your permanent records.

Sincerely yours,

Gerald G. Portney

Gerald G. Portney
District Director

cc: Mr. Ralph P. Genovese
c/o Price, Waterhouse & Co.
Office of Government Services
1801 K Street, N. W.
Washington, D. C. 20006