



TREASURY DEPARTMENT

WASHINGTON

OFFICE OF
COMMISSIONER OF INTERNAL REVENUE

ADDRESS REPLY TO
COMMISSIONER OF INTERNAL REVENUE
AND REFER TO

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JUN 3 1941

The Mother Church, The First Church of
Christ, Scientist, in Boston, Massachusetts,
.107 Falmouth Street,
Boston, Massachusetts.

Sirs:

Reference is made to the evidence submitted for use in determining the status of your branch churches and societies for Federal income and employment tax purposes.

Under date of May 25, 1936 you were held exempt from Federal income tax under the provisions of section 101(6) of the Revenue Act of 1934 and the corresponding provisions of prior revenue acts.

It is the opinion of this office, based upon the evidence presented, that your branch churches and societies appearing in "Churches of Christ, Scientist, and Christian Science Societies" dated May 1, 1941 and submitted with the affidavit of May 13, 1941 of Charles E. Heitman, Chairman of The Christian Science Board of Directors, are exempt from Federal income tax under the provisions of section 101(6) of the Internal Revenue Code and the corresponding provisions of prior revenue acts.

Accordingly, your branch churches and societies will not be required to file returns of income unless there is a change in the character, purposes or methods of operation of your organization or of your branch churches and societies. Any such changes should be immediately reported by you to this Bureau in order that the effect of the changes upon your present exempt status may be determined.

You should furnish the Bureau annually on the calendar year basis lists in quadruplicate showing only the names and addresses of any branch churches or societies which were chartered during the calendar year and the names and addresses of any churches or societies which for any reason ceased to exist. Such annual lists should be accompanied by a statement sworn to by one of your principal officers as to whether or not the information heretofore submitted by you and on which this ruling is based is applicable in all respects to the new churches or societies appearing on the lists and should be forwarded so as to reach this office not later than February 15 of the following year.

The Mother Church, The First Church of Christ, Scientist, in Boston, Massachusetts.

Since any organization which is exempt from Federal income tax under the provisions of section 101 of the Internal Revenue Code also is exempt from the capital stock tax pursuant to the express provisions of section 1201(a)(1) of the Internal Revenue Code, your branch churches and societies will not be required to file capital stock tax returns for future years so long as the exemption from income tax is effective.

Furthermore under substantially identical authority contained in sections 1426 and 1607 of the Code and/or corresponding provisions of the Social Security Act, the employment taxes imposed by such statutes are not applicable to remuneration for services performed in the employ of the churches and societies so long as they meet the conditions prescribed above for retention of an exempt status for income tax purposes.

Contributions made to the churches and societies are deductible by the donors in arriving at their taxable net income in the manner and to the extent provided by section 23(o) and (q) of the Internal Revenue Code and the corresponding provisions of prior revenue acts.


Bequests, legacies, devises or transfers, to or for the use of the branch churches and societies are deductible in arriving at the value of the net estate of a decedent for estate tax purposes in the manner and to the extent provided by sections 812(d) and 861(a)(3) of the Code and/or corresponding provisions of prior revenue acts. Gifts of property to such branch churches and societies are deductible in computing net gifts for gift tax purposes in the manner and to the extent provided in sections 1004(a)(2)(B) and 1004(b)(2) and (3) of the Code and/or corresponding provisions of prior revenue acts.

The determination of the status of your branch churches and societies for Federal employment tax purposes will be made the subject of a separate communication.

A copy of this ruling is being transmitted to the collectors of internal revenue for the various districts in which your branch churches and societies are located.

By direction of the Commissioner.

Respectfully,


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Deputy Commissioner.