Gentlemen:

Based on the information supplied, we recognize you and your subordinates whose names appear on the list you submitted including your Corporation Sole, as exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code.

Additionally, we have classified you and your subordinate organizations as organizations that are not private foundations because you and they are organizations of the type described in section 509(a)(1) and 170(b)(1)(A)(i) of the Code.

Donors may deduct contributions to you and your subordinates as provided in section 170 of the Code. Requests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

You and your subordinates are not required to file Federal income tax returns as long as a tax exempt status is maintained. But, under section 512(a)(1) of the Code, the unrelated business taxable income derived by any organization under any unrelated trade or business is subject to unrelated business income tax. If you or your subordinates are subject to this tax, you must file an income tax return on Form 990-T, Exempt Organization Business Income Tax Return. However, Code section 512(b)(16) provides that for taxable years beginning before January 1, 1976, a church (or a convention or association of churches) may exclude all unrelated business taxable income derived from a trade or business, the church or its predecessor carried on before May 27, 1969.

You are not required to file Form 990, Return of Organization Exempt from Federal Income Tax, if you meet the exception in section 6033(a)(2)(A)(i) of the Code. Your subordinates are
The Protestant Episcopal Church
in the Diocese of California

also not required to file Form 990 if they qualify as churches
or integrated auxiliaries of churches or otherwise meet the
exceptions in section 1.6033-2(g) of the Income Tax Regulations.

You and your subordinates are not liable for social security (FICA)
taxes. However, you or any of your subordinates, in their right,
may file a certificate waiving exemption from taxes, Form SS-15,
under the Federal Insurance Contributions Act. You and your
subordinates are not liable for tax under the Federal Unemployment
Tax Act (FUTA).

Each year, within 45 days after the end of your annual accounting
period, please send the following to the Internal Revenue Service
Center, 11601 Roosevelt Boulevard, Philadelphia, Pennsylvania,
19155, Attention: E. O. R. Branch

(1) A statement describing any changes during the
year in the purposes, character, or method of
operation of your subordinates.

(2) A list showing the names, mailing addresses,
(including postal zip codes) and employer
identification numbers of subordinates that
during the year: (a) changed names or addresses;
(b) were deleted from your roster; or (c) were
added to your roster.

(3) For subordinates to be added attach: (a) a
statement that the information on which your
present group exemption letter is based applies
to new subordinates; (b) a statement that each
has given you written authorization to add its
name to the roster; (c) a list of those to which
the Service previously issued exemption rulings
or determination letters; (d) a statement that
none of the subordinates are private foundations
as defined in section 509(a) of the Code; (e) the
street addresses of subordinates where the mailing
address is a post office box; and (f) for new
subordinates that are schools, the information
required by section 5 of Revenue Procedure 75-50,
(4) If applicable, a statement that your group exemption roster did not change during the year.

We are enclosing a copy of Revenue Procedure 75-50. This sets forth guidelines in recordkeeping requirements for private schools recognized as exempt from Federal income tax under section 501(c)(3) of the Code. You should advise those subordinates that operates schools of the requirements of this procedure.

You have previously been issued an employer identification number. You are required to include this number on all correspondence and required Forms 990-T, Exempt Organizations Business Income Tax Returns. Please advise your subordinates of this requirement and provide them with the group exempt number.

This ruling is effective May 7, 1976. As of this date, you and your subordinates are no longer considered to be included in the group ruling issued to The Episcopal Churches and Dioceses in the United States and institutions thereof.

Very truly yours,

F. L. Browitt
District Director