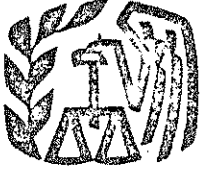


Commander - in - Chief Copy

Department of the Treasury

Phone Contact: U. Flood
Phone Numbers: 202-964-4027



DO 23 EIN 23 1394636

Internal Revenue Service
Washington, DC 20224

Date:

In reply refer to:

12 AUG 1974

T:MS:EO:R:1-2

The Military Order of the
Loyal Legion of the United
States

1805 Pine Street
Philadelphia, Pennsylvania 19103

Gentlemen:

We have considered your application for a group ruling recognizing you and your subordinate lodges exempt from Federal income tax as organizations described in section 501(c)(10) of the Internal Revenue Code of 1954.

Based on information supplied, and assuming your operation will be as stated in your application for a group exemption letter, we have determined that you and your named subordinates on the list you submitted to us are exempt from Federal income tax under section 501(c)(10) of the Internal Revenue Code.

You are required to file the annual return, Form 990, on or before the 15th day of the fifth month after the end of your annual accounting period if your annual gross receipts are normally more than \$5,000. Failure to file the Form 990 by this date may subject you to a penalty of \$10 for each day during which such failure continues, up to a maximum of \$5,000. Your subordinates will have to file an annual information return, Form 990, if their gross receipts in each taxable year are normally more than \$5,000. If you do not include the subordinates in a group return, each must file an annual return by the 15th day of the fifth month after its annual accounting period closes.

You and your subordinates are not required to file Federal income tax returns unless you or your subordinates are subject to the tax on unrelated business income under section 511 of the Code; if so, you and your subordinates must file an income tax return on Form 990-T. In this letter we are not determining

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whether you or any of your subordinates present or proposed activities is unrelated trade or business as defined in section 513 of the Code.

Unless specifically excepted, you and your subordinates are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$50 or more to each of your employees during a calendar quarter. And, unless excepted, you and your subordinates are also liable for tax under the Federal Unemployment Tax Act on remuneration of \$50 or more to each of your employees during a calendar quarter if, during the current or preceding calendar year, you have one or more employees at any time in each of 20 calendar weeks or pay wages of \$1,500 or more in any calendar quarter. If you have any questions about excise, employment, or other Federal taxes, please address them to your key District Director.

Donors may deduct contributions to you and your exempt subordinates as provided in section 170 of the Code, but only if to be used exclusively for the charitable purposes specified in section 170(c)(4) of the Code. Bequests, legacies, devises, transfers, or gifts to you and your subordinates or for the use of you and your exempt subordinates are deductible for Federal estate and gift tax purposes under section 2055, 2106 and 2522 of the Code, but only if to be used exclusively for charitable purposes specified in sections 2055(a)(3)(iii), and 2522(a)(3).

You should advise each of the subordinates of the provisions of this ruling, including the requirement for filing information or other returns.

Each year within 45 days after your annual accounting period closes, please send in two copies of the following to Director, Internal Revenue Service Center, 11601 Roosevelt Boulevard, Philadelphia, Pennsylvania 19155, Attention: EOR Branch:

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1. A statement describing any changes during the year in the purposes, character, or method of operation of your subordinates.
2. A list of the names, mailing addresses including Zip Codes, employer identification numbers of subordinates on your group exemption roster that during the year:
 - a. changed names and addresses;
 - b. were deleted from the roster;
 - c. were added to the roster.

A directory of subordinates may be substituted for this list if it includes the required information and identifies the affected subordinates according to the three categories above.

3. For subordinates added to the roster a letter signed by one of your principal officers containing or attaching:
 - a. a statement that the information upon which your present group exemption letter is based applies to the new subordinates;
 - b. a statement that each has given you written authorization to add its name to the roster;

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States

- c. a list of those to which
the Service previously
issued exemption rulings
or determination letters.
- 4. If applicable, a statement that
your group exemption roster did
not change during the year.

This ruling does not apply to any of your subordinates
organized and operated in a foreign country.

We are advising your key district director of this
action.

Sincerely yours,

Milton Cerny

Milton Cerny
Chief, Rulings Section 1
Exempt Organizations Branch