

Address any reply to: 450 Golden Gate Ave., San Francisco, Calif. 94102

**Department of the Treasury**

**District Director**

**Internal Revenue Service**

Date:

In reply refer to:

9 AUG 1973

A:FA:1230:JY



Latham Foundation for the Promotion  
of Humane Education  
Latham Square Building  
Oakland, California 94612

Gentleman:

We have completed our examination of your information return, Form 990, for the fiscal year ended August 31, 1971. The return is accepted as filed.

In our ruling letter of May 18, 1940, you were exempted from Federal income tax as an organization described in section 101(6) of the Internal Revenue Code, which section corresponds to section 501(c)(3) of the Internal Revenue Code of 1954. You are also subject to the provisions of section 509 of the code which describes a private foundation.

From the information developed during the audit of your operations, it was determined that you are properly classified as an operating private foundation as defined in section 4942(j)(3) of the code. You are still classified as a private foundation under section 509(a) of the Internal Revenue Code.

Any changes in your purposes, character, or method of operation must be reported to your District Director for consideration of the effect on your status.

This determination modifies our prior letter.

Very truly yours,

Handwritten signature of Christine J. Collins

ACTING

District Director

COPY

June 17, 1940.

Mr. E. C. Longworth  
Deputy, Rules and Regulations Officer,  
Department of Employment,  
1025 "P" Street,  
Sacramento, California.

Re: 03-4658  
Latham Foundation for the Promotion of  
Humane Education.

Dear Sir:

Reference is made to your letter of June 21, 1939, and to our prior correspondence with respect to the above named organization. The long awaited word from the Commissioner's office has been received. A copy of that letter, together with my letter of this date to the Collection Unit is enclosed herewith.

As you know, it has been my firm and steadfast opinion that the Foundation was exempt from income tax and Federal social security taxes as well as from the Tax Unemployment Reserves Act. This letter from the Commissioner's office lends definite support to my contention.

We, also, recently received another letter from the Commissioner's office in which the Foundation was held exempt from Federal income taxes. As the authorities previously quoted by you in favor of taxability were all income tax cases of rulings, the non-taxability of the Foundation would now appear to be the most conclusively established.

As the Collection Unit has become quite adamant in its demands, I would greatly appreciate an immediate reconsideration and revision of your prior ruling.

Respectfully,

LOUIS JANIN

cc: Latham Foundation

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Respectfully,

LOUIS JANIN

cc: Latham Foundation



TREASURY DEPARTMENT

WASHINGTON

JUN 2 1940

OFFICE OF  
COMMISSIONER OF INTERNAL REVENUE

ADDRESS REPLY TO  
COMMISSIONER OF INTERNAL REVENUE  
AND REFER TO

A&C:RR:l-C

The Latham Foundation for the  
Promotion of Humane Education,  
Latham Square Building,  
Oakland, California.

Sirs:

Further reference is made to the evidence submitted by you for use in determining your status for Federal income tax purposes and for purposes of the taxes imposed by Titles VIII and IX of the Social Security Act and Subchapters A and C of Chapter 9 of the Internal Revenue Code (Federal Insurance Contributions Act and Federal Unemployment Tax Act, respectively), as amended by the Social Security Act Amendments of 1939.

In Bureau letter dated May 18, 1940 (IT:P:T:l:MM), your organization was held to be entitled to exemption for Federal income tax purposes under the provisions of Section 101(6) of the Internal Revenue Code (53 Stat., Part 1), and the corresponding provisions of prior revenue acts.

The provisions of Section 101(6) of the Internal Revenue Code and the corresponding provisions of prior revenue acts are substantially similar to the provisions of Sections 811(b)(8) and 907(c)(7) of the Social Security Act and Sections 1426(b)(8) and 1607(c)(8) of Subchapters A and C, respectively, of Chapter 9 of the Internal Revenue Code, as amended.

Accordingly, the taxes imposed by Titles VIII and IX of the Social Security Act and Subchapters A and C, Chapter 9, of the Internal Revenue Code, as amended, are not applicable with respect to remuneration for services performed in your employ, unless the character of your organization or its operations, or the purposes for which the organization was created, as set forth in the evidence upon which the Bureau ruling referred to above was based, have been or are subjected to change. Any such change should be reported promptly to the collector of internal revenue for your district, in order that the effect of the change upon your exempt status may be determined.

Respectfully,

*Geo. J. Schorveman*  
Deputy Commissioner.

CA:JAL



TREASURY DEPARTMENT

WASHINGTON

OFFICE OF  
COMMISSIONER OF INTERNAL REVENUE

MAY 18 1940

ADDRESS REPLY TO  
COMMISSIONER OF INTERNAL REVENUE  
AND REFER TO

IT:P:T:l  
MM

The Latham Foundation for the Promotion  
of Humane Education,  
Latham Square Building,  
Oakland, California.

Sirs:

Reference is made to the evidence submitted by you for use in determining your status for Federal income and Federal employment tax purposes.

The evidence shows that you were incorporated in 1918 under the laws of the State of California to promote, foster, encourage and further the principles of humanitarianism, kindness and benevolence to all living creatures, the doctrine of universal brotherhood, universal justice and benevolence, the eradication of all cruelty to animals and the establishment of the universal benevolence which shall include all living creatures, particular attention to be given to the basic fundamental work which is the education of children in justice and kindness to animals.

It appears from the evidence that you are engaged in carrying out the purposes for which you were formed; that your income is derived principally from a trust fund established by your president, your other income being from a few investments and from gifts; that your income is used to pay salaries and other expenses; and that none of your income inures to the benefit of any private shareholder or individual.

Based upon the facts presented it is held that you are entitled to exemption under the provisions of section 101(6), Internal Revenue Code (53 Stat., Part 1), and the corresponding provisions of prior revenue acts. You are not, therefore, required to file returns for 1939 and prior years and future returns will not be required so long as there is no change in your organization, your purposes or your method of operation.

Any changes in your form of organization or method of operation, as shown by the evidence submitted, should be immediately reported to the collector of internal revenue for your district, in order that the effect of such changes upon your present exempt status may be determined.

The Latham Foundation for the Promotion  
of Humane Education.

The exemption referred to in this letter does not apply to taxes levied under other titles or provisions of the respective revenue acts or of the Internal Revenue Code, except insofar as exemption is granted expressly under those provisions to organizations enumerated in section 101 of the Revenue Act of 1938 and the corresponding provisions of prior revenue acts, or section 101 of the Internal Revenue Code.

Contributions made to you by individual donors are deductible by such individuals in arriving at their taxable net income in the manner and to the extent provided by section 23(o) of the Revenue Act of 1938 and the corresponding provisions of prior revenue acts, section 23(o) of the Internal Revenue Code and section 23(o) of the Internal Revenue Code as amended by section 224 of the Revenue Act of 1939. The deductibility of contributions by corporations is governed by section 23(q) of the Revenue Acts of 1936 and 1938, section 23(q) of the Internal Revenue Code and section 23(q) of the Internal Revenue Code as amended by section 224 of the Revenue Act of 1939.

The question of your status for Federal employment tax purposes will be made the subject of a separate communication.

A copy of this letter is being transmitted to the collector of internal revenue for your district.

By direction of the Commissioner.

Respectfully,



ACTING Deputy Commissioner.