



U. S. TREASURY DEPARTMENT
WASHINGTON 25

OFFICE OF
COMMISSIONER OF INTERNAL REVENUE

ADDRESS REPLY TO
COMMISSIONER OF INTERNAL REVENUE
WASHINGTON 25, D. C.

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MAY 16 1956

American Federation of Labor and
Congress of Industrial Organizations
901 Massachusetts Avenue, N. W.
Washington, D. C.

Gentlemen:

This has reference to the information submitted for use in determining your status and that of your directly affiliated State Central Bodies, Local Central Bodies, Trade and Industrial Departments, and Local Unions for Federal income tax purposes, as organizations described in section 501(c)(5) of the Internal Revenue Code of 1954.

The information submitted shows that you were formed as the result of the merger of the American Federation of Labor and the Congress of Industrial Organizations under an agreement to merge signed February 9, 1955, effective December 5, 1955, and that your purposes and activities are substantially similar to those of your predecessor organizations. You have submitted lists showing the names and addresses of all of your directly affiliated State Central Bodies, Local Central Bodies, Trade and Industrial Departments, and Local Unions, and information showing that your subordinate units operate under charters issued by you, and that their purposes and objectives are substantially similar to yours.

Our records show that the American Federation of Labor and its subordinate units were held to be entitled to exemption from Federal income tax under the provisions of section 101(1) of the Internal Revenue Code of 1939, (which corresponds to section 501(c)(5) of the 1954 Code), in a group ruling dated September 6, 1940 and in subsequent supplemental group rulings. Our records also show that the Congress of Industrial Organizations and its subordinate units were held to be entitled to exemption from Federal income tax under the provisions of section 101(1) of the 1939 Code in a group ruling dated July 21, 1944 and in subsequent supplemental group rulings.

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2 - American Federation of Labor and
Congress of Industrial Organizations

It is the opinion of this office, based on the evidence presented, that you and your directly affiliated State Central Bodies, Local Central Bodies, Trade and Industrial Departments, and Local Unions appearing on the lists submitted are entitled to exemption from Federal income tax as organizations described in section 501(c)(5) of the Code of 1954.

Accordingly, it will not be necessary for you and your subordinate units to file income tax returns so long as there is no change in your organization, purposes, or method of operation, or that of your subordinate units. Any such changes should be reported immediately to the National Office of the Internal Revenue Service in Washington, D. C., in order that their effect upon your exempt status, or the exempt status of your subordinate units, may be determined.

However, you and your subordinate units listed are required to file annually information returns on Form 990 with the District Director of Internal Revenue for the respective districts in which located, so long as this exemption remains in effect. This form may be obtained from the District Director and is required to be filed on or before the fifteenth day of the fifth month following the close of the respective annual accounting period.

You should furnish the National Office of the Internal Revenue Service in Washington, D. C., annually, on the calendar year basis, lists, in duplicate, showing only the names, numbers and addresses of any new subordinate units chartered by you during the year, and the names, numbers and addresses of any subordinate units which for any reason have ceased to exist. Such lists should be accompanied by a statement signed by one of your principal officers as to whether the information heretofore submitted by you and on which this ruling is based, is applicable in all respects to the new units appearing on the lists, and they should be forwarded so as to reach the National Office not later than February 15 of the following year.

Our rulings of September 6, 1940 and July 21, 1944 and all supplemental group rulings addressed to your predecessors, described above, are terminated as of December 5, 1955.

The District Director of Internal Revenue for your district and the District Directors of Internal Revenue for the districts in which your subordinate units appearing in the lists submitted are located, are being advised of this action.

Very truly yours,


Director, Tax Rulings Division