



TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

Number: **200509026**

Release Date: 03/04/2005

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Date: December 6, 2004

Employer Identification Number:

Person to Contact and ID Number:

Toll Free Contact Number:

Name of Qualified Subsidiary:

SIN# 501.25-00

Dear _____ :

This letter is in reply to your request for a ruling concerning the status, for federal tax purposes, of your qualified subsidiary, X.

Your exemption as a title-holding corporation under section 501(c)(25) of the Internal Revenue Code was recognized by our exemption letter to you dated Y.

Your qualified subsidiary was formed by you for the purpose of holding title to real property. The information submitted shows that 100 percent of the stock of your subsidiary has been held by you at all times during its existence.

Section 501(c)(25)(A) of the Code provides for the exemption from federal income tax of title-holding corporations or trusts that hold title to real property and otherwise meet the requirements of section 501(c)(25).

Section 501(c)(25)(E) of the Code provides that a corporation may be a qualified subsidiary of an exempt title-holding organization if 100 percent of its stock is held, at all times during such corporation's existence, by an exempt title-holding organization. The Code further provides that the qualified subsidiary will not be treated as a separate corporation for federal tax purposes. In addition, all of the qualified subsidiary's assets, liabilities, and items of income, deduction, and credit will be treated as belonging to the exempt parent title-holding organization.

Based upon the information provided, we rule that the above-named subsidiary is your qualified subsidiary corporation as described in section 501(c)(25)(E) of the Code. Therefore, you and your qualified subsidiary shall be treated, for federal tax purposes, as a single entity as long as you and your qualified subsidiary continue to meet all of the requirements of section 501(c)(25).

Your activities and those of your qualified subsidiary corporation will be considered in the aggregate to determine whether you continue to qualify for exempt status. Consequently, any activity conducted by a qualified subsidiary corporation that is not permitted under section 501(c)(25) may cause you to lose your exempt status.

Your qualified subsidiary corporation is not required to file federal tax and information returns that are generally required under federal tax law since it is treated as part of its exempt parent title-holding organization.

As the exempt parent title-holding organization, you are required to file all federal returns, including Form 990, *Return of Organization Exempt From Income Tax*, required by section 6033 of the Code, using your Employer Identification Number. The Form 990 must include financial information applicable to your qualified subsidiary corporation. The information pertaining to your qualified subsidiary corporation should not be listed separately, but should be aggregated with the information applicable to you. Therefore, you and your qualified subsidiary corporation must be on the same annual accounting period. Form 990 should be filed with the Ogden Service Center, Ogden, UT 84201-0027.

When Form 990, *Return of Organization Exempt from Income Tax* is filed, please provide the information listed below with your return:

1. The name, address, and employer identification number, if any, of each qualified subsidiary.
2. A statement that you have held 100 percent of the stock of each named qualified subsidiary at all times during the subsidiary's existence.
3. The name and address of any previously qualified subsidiary and an explanation as to why the subsidiary is no longer a qualified subsidiary.
4. A statement describing any changes during the tax year in the purposes, character, or method of operation of each qualified subsidiary.

Please use the employer identification number indicated in the heading of this letter on all returns you file and in all correspondence with the Internal Revenue Service. Your qualified subsidiaries should not apply for their own employer identification number. Because this letter could help resolve any questions about your exempt status, you should keep it in your permanent records.

If you have any questions about this letter, call the toll free number indicated in the heading of this letter, or send correspondence to Internal Revenue Service, TE/GE Customer Service, P.O. Box 2508, Cincinnati, OH 45201. Please see enclosed *Information for Organizations Exempt Under Sections Other Than 501(c)(3)* for some helpful information about your qualified subsidiary's responsibilities as an exempt organization.

Sincerely,

Ronald J. Shoemaker

Lois G. Lerner
Director, Exempt Organizations
Rulings & Agreements

Enclosure: *Information for Organizations Exempt Under Sections Other Than 501(c)(3)*