Citizens Freedom Foundation, Inc.
P.O. Box 256
Chula Vista, CA 92012

Attn: William M. Rambur

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Person to Contact
 Joseph Chasin -
Telephone Number
 (202)566-3201
Refer Reply to
 E:EO:T:C&R
Date   NOV 13 1978
      Key District: Los Angeles
   Accounting Period Ending: December 31
         Form 990 Required: /X/ YES / / NO
  Foundation Status Classification: 509(a)(1) & 170(b)(1)(A)(vi)
    Advance Ruling Period Ending: December 31, 1980

. Dear Applicant:

We have considered your application for recognition of exemption from Federal income tax under section 501(c)(3) of the Code.

This letter is a final adverse ruling as to your exempt status under section 501(c)(3) of the Internal Revenue Code for the period beginning with the date of your inception through June 30, 1978. This final adverse ruling for the above-stated period was made for the following reasons:

Your organization was not operated exclusively for educational or other exempt purposes within the meaning of section 501(c)(3) of the Code. Your organization advocated a particular position or viewpoint without presenting a sufficiently full and fair exposition of the pertinent facts as to permit an individual or the public to form an independent opinion or conclusion.

Contributions to your organization are not deductible under Code section 170 for that period.

However, on the basis of the additional information submitted to us on July 13, 1978, which indicates that your organization has changed the scope and nature of its activities, we have determined that you are exempt for the period beginning July 1, 1978.

For the period prior to July 1, 1978, you are required to file Federal income tax returns. These returns should be filed with your key District Director for exempt organization matters within 30 days from the date of this letter unless a request for an extension of time is granted. Processing of income tax returns and assessment of any taxes due will not be delayed because a petition for declaratory judgment has been filed under Code section 7428.

Ex. III-10-C

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If you decide to contest this ruling under the declaratory judgment provisions of section 7428 of the Code, a petition to the United States Tax Court, the United States Court of Claims, or the United States District Court for the District of Columbia must be filed within 90 days from the date this ruling was mailed to you. Contact the clerk of the appropriate court for rules for filing petitions for declaratory judgment.

Based on the information supplied and assuming your operations will be as stated, we have determined that you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code beginning on July 1, 1978.

We are not now making a final determination of your foundation status under section 509(a) of the Code. However, we have determined that you can reasonably be expected to be a publicly supported organization of the type described in section 509(a)(1) and section 170(b)(1)(A)(vi) for the years beginning July 1, 1978.

Within 90 days after the end of your advance ruling period, you must submit to your key district director information needed to determine whether you have met the requirements of the applicable support test during the advance ruling period. If you establish that you have been a publicly supported organization, you will be classified as a section 509(a)(1) or 509(a)(2) organization so long as you continue to meet the requirements of the applicable support test. If, however, you do not meet the public support requirements during the advance ruling period, you will be classified as a private foundation for future periods. Also, in the event you are classified as a private foundation, you will be treated as a private foundation from July 1, 1978 for purposes of section 507(D) and 4940.

Grantors and donors may rely on the determination that you are not a private foundation until 90 days after the end of your advance ruling period. In addition, if you submit the required information within the 90 days, grantors and donors may continue to rely on the advance determination until the Service makes a final determination of your foundation status. However, if notice that you will no longer be treated as a section 509(A)(1) organization is published in the Internal Revenue Bulletin, grantors and donors may not rely on this determination after the date of such publication. Also, a grantor or donor may not rely on this determination if he was in part responsible for, or was aware of, the act or failure to act that resulted in your loss of section 509(a)(1) status, or acquired knowledge that the Internal Revenue Service had given notice that you would be removed from classification as a section 509(a)(1) organization.

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Contributions to you before July 1, 1978 are not deductible under section 170 of the Code. Donors may deduct contributions to you as provided in section 170 of the Code for years beginning July 1, 1978. Bequests, legacies, devises, transfers, or gifts to you or for your use made on or after July 1, 1978 are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2005, 2106, and 2522 of the Code.

You are not liable for social security (FICA) taxes unless you file a waiver of exemption certificate as provided in the Federal Insurance Contributions Act. You are not liable for the taxes imposed under the Federal Unemployment Tax Act (FUTA).

Organizations that are not private foundations are not subject to the excise taxes under Chapter 42 of the Code. However, you are not automatically exempt from other Federal excise taxes.

If your sources of support, or your purposes, character or method of operation is changed, you must let your key District Director know so he can consider the effect of the change on your status. Also, you must inform him of all changes in your name or address.

The block checked at the top of this letter shows whether you must file Form 990, Return of Organization Exempt From Income Tax. If the Yes box is checked, you are required to file Form 990 only if your gross receipts each year are normally more than $10,000. If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. The law imposes a penalty of $10 a day, up to a maximum of $5,000, for failure to file the return on time.

For years beginning after July 1, 1978, you are not required to file Federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T. In this present letter we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

You need an employer identification number even if you have no employees. If an employer identification number was not entered on your application, a number will be assigned to you and you will

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be advised of it. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

We are notifying your key district director of this action.

Sincerely yours,

E. D. Coleman, Chief
Exempt Organizations
Technical Branch

FORM 334	NOTICE OF EMPLOYER IDENTIFICATION NUMBER		23·73'/6.030

CITIZENS FREEDOM FOUNDATION, INCORPORATED

N/A

325 E.James St.,P.O.Box 256,~~Chula~Vista~San~22012~~

Chula Vista, Calif. 92012   San Diego

The Identification Number shown above will be used by the Internal Revenue Service to identify your Federal tax returns, and other documents, i.e., 1120, 940, 941, etc., and your payments of the taxes reported on such returns. Your Identification Number should be shown on such returns, documents, and on any related forms or correspondence.

**NON-PROFIT ORGANIZATION
IDENTIFICATION NUMBER**