

DEC 4 1984

Dear Applicant:

We have considered your application for recognition of exemption from Federal income tax under section 501(c)(5) of the Internal Revenue Code.

According to your Articles of Incorporation, you are organized to foster, protect and promote the welfare and interest of all those engaged in the promotion of the interest in [REDACTED] cattle in [REDACTED], sponsor livestock sale and promote interest in youth in [REDACTED], and to protect and encourage such trade and commerce, by securing [REDACTED] agency to combine the intelligence and influence of members against imposition and fraud, and securing uniformity and equity in business usage and laws by bringing about programs of an economic and educational value and by establishing closer ties of business association among the members for the ultimate benefit of the public.

Your primary activity is the promoting and conducting of an annual Consignment sale of cattle. Sellers must be members of your organization. Presently, you have approximately [REDACTED] members. In conducting the auction or sale, you hire the auctioneer and other necessary labor, rent the facilities, advertise the sale and pay all other expenses associated with it. You collect the full sales price, retain [REDACTED] as commission to cover expenses, and remit the balance to the seller. You have stated that you conduct youth programs to encourage youth to become interested in the showing of [REDACTED] cattle, but little description of such activities was provided. It appears that any youth programs are very insubstantial in comparison to your sales activities.

For the year 1983 gross receipts from consignment sales was \$[REDACTED] and the cost of sales was \$[REDACTED]. Membership dues amounted to \$[REDACTED]. Other expenditures primarily consisted of sales expenses, including advertising, meals, facility rental, auctioneer and cattle screening.

Internal Revenue Code Section 501(c)(5) provided for the exemption of agricultural organizations. Regulation 1.501(c)(5)-1(a) states that agricultural organizations exempt under IRC 501(c)(5) are those that have as their primary purpose the promotion of agriculture or other agricultural purposes.

Code	Initiator	Reviewer	Reviewer	Reviewer	Reviewer	Reviewer	Reviewer
Surname							
Date		12-4-84	12-4-84				

[REDACTED]

If you have any further questions, you may contact the Bureau of Census at the telephone number are shown at the beginning of this letter.

Sincerely,

[REDACTED]
District Director

Enclosures
Form 6018
Publication