

Religious burial services. An otherwise qualifying organization whose purpose is to provide traditional burial services that directly support and maintain basic tenets and beliefs of a religion regarding burial of its members is operated exclusively for charitable purposes and is exempt from tax under section 501(c)(3) of the Code.

#### ISSUE

Does an organization that provides traditional religious burial services, under the circumstances described below, qualify for exemption from federal income tax under section 501(c)(3) of the Internal Revenue Code?

#### FACTS

The organization, which otherwise qualifies for exemption under section 501(c)(3) of the Code, was formed as a result of the joint efforts of religious and lay leaders of a particular religion. Its purpose is to provide burial services that directly support and maintain basic tenets and beliefs of a religion regarding burial of its members.

In order to comply with religious law regarding burial, members of the religion must fulfill detailed requirements respecting the preparation of the body, blessing, holding services over, and interring the deceased. There is a long-established tradition for members of the religious community to organize into groups to help fellow members comply with these religious laws.

The subject organization arranges funerals in accordance with the religious laws. It provides funeral arrangements including preparation of the body and graveside prayer services. Religious leaders affiliated with the organization preside at the preparation for burial and conduct services when the body is interred. Generally, a fee is charged for services rendered.

#### LAW AND ANALYSIS

Section 501(c)(3) of the Code provides for the exemption from federal income tax of organizations organized and operated exclusively for charitable purposes.

Section 1.501(c)(3)-1(d)(2) of the Income Tax Regulations states that the term 'charitable' is used in section 501(c)(3) of the Code in its generally accepted legal sense. Such term includes the advancement of religion.

Through the provision of burial services to members of a religion in compliance with the detailed requirements of religious laws, the described organization is preserving and

perpetuating traditional religious customs and obligations. In this matter the organization is accomplishing a charitable purpose by contributing to the advancement of religion.

#### HOLDING

An organization that provides traditional religious burial services, under the circumstances described above, is operated exclusively for charitable purposes and thus qualifies for exemption from federal income tax under section 501(c)(3) of the Code.

This revenue ruling does not purport to consider whether or under what circumstances a religious burial organization of the kind described herein may be subject to the unrelated business income tax imposed by section 511 of the Code.

#### APPLICATION INSTRUCTIONS

Even though an organization considers itself within the scope of this revenue ruling, it must file an application on Form 1023, Application for Recognition of Exemption, in order to be recognized by the Service as exempt under section 501(c)(3) of the Code. See sections 1.501(a)-1 and 1.508-1(a) of the regulations. In accordance with the instructions to Form 1023, the application should be filed with the District Director of Internal Revenue for the key district indicated therein.