

Hospice. A nonprofit hospice, operated on both an inpatient and outpatient basis to alleviate the physical and mental distress of the terminally ill, is operated exclusively for charitable purposes and qualifies for exemption under section 501(c)(3) of the Code.

Advice has been requested whether the nonprofit organization described below, which otherwise qualifies for exemption from federal income tax under section 501(c)(3) of the Internal Revenue Code of 1954, is operated exclusively for charitable purposes.

The organization, known as a 'hospice,' operates on both an inpatient and outpatient basis to assist persons of all ages who have been advised by a physician that they are terminally ill to cope with the distress arising from their conditions. It utilizes and coordinates the professional skills of physicians, nurses, therapists, social workers, the clergy, counselors, and lawyers in a planned effort to alleviate the physical and mental distress of dying persons. It does not seek cures through extensive medical treatments that may not significantly alter terminal illnesses, but rather focuses on lessening the distress, pain, and physical difficulties generally experienced by dying persons.

Although the organization operates a facility to supply temporary accommodations to those dying persons in need of specialized housing, the thrust of its program is to provide care and counseling in the patients' homes. The organization also provides information and advice concerning the care and problems of dying persons to relatives of such persons and to interested individuals. Its financial support is derived from reasonable fees charged for its services and from donations by the public.

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 provides that the term 'charitable' is used in section 501(c)(3) of the Code in its generally accepted legal sense, and includes the relief of the distressed.

By alleviating the mental and physical distress of persons terminally ill, the organization described above relieves the distressed within the meaning of section 1.501(c)(3)-1(d)(2) of the regulations. Accordingly, it is operated exclusively for charitable purposes and, thus, qualifies for exemption from federal income tax under section 501(c)(3) of the Code.

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.