

Educational; broadcast media information. A nonprofit organization that provides information to the public about the public's right of access to the broadcast media and objectively evaluates the performance of local broadcasters in fulfilling their public service obligations is operated exclusively for charitable and educational purposes.

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 and educational purposes.

The organization was formed to educate the public, through educational means, concerning the obligations of the broadcast media to serve the public interest.

The organization provides information to the public regarding the public's right to access to the broadcast media for the presentation of individual views on both controversial and noncontroversial subjects. The organization also instructs the public on how to take advantage of time offered to the public by broadcasters. This is accomplished by providing qualified speakers for public meetings and college classes, by making radio announcements, and by furnishing material for magazine articles.

Periodically, the organization prepares objective evaluations of the performance by local broadcasters of their public service obligations based on full documentation of pertinent facts. The organization meets with the broadcasters to discuss these evaluations and any possible changes to correct what the organization's evaluations have indicated to be deficiencies in performance. The organization makes the evaluations available to the general public, including administrative agencies that are involved in the regulations and licensing of the broadcast media, such as the Federal Communications Commission. These documented presentations are full and fair expositions of the facts. They are not intended to further or to oppose any political viewpoint. Members of the organization who may have a personal, professional, or business interest in any aspect of a particular evaluation do not participate in the consideration. Also, individuals who are affiliated in any way with the broadcast media may not be members of the organization.

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

Section 1.501(c)(3)-1(d)(2) of the Income Tax Regulations provides that the term 'charitable' includes the advancement of education.

Section 1.501(c)(3)-1(d)(3) of the regulations defines the term 'educational' as including the instruction of the public on subjects useful to the individual and beneficial to the community.

The regulations further provide that an organization may be educational even though it advocates a particular position or viewpoint, so long as it presents a sufficiently full and fair exposition of pertinent facts to permit the public to form an independent opinion or conclusion.

By providing qualified speakers and materials for publication in the manner and for the purpose described, and by objectively evaluating broadcasters' performances and making these evaluations publicly available, the organization ensures that the public is informed regarding the broadcasters' public service obligations. The overall effect of the organization's activities is the instruction of the public on a subject useful to the individual and beneficial to the community. Accordingly, the organization is operated exclusively for charitable and educational purposes and thus qualifies for exemption from federal income tax under section 501(c)(3) of the Code.

Compare Rev. Rul. 74-615, 1974-2 C.B. 165, which holds that an organization formed to educate the public concerning the accuracy and fairness of news coverage by newspapers is exempt under section 501(c)(3) of the Code, and Rev. Rul. 64-192, 1964-2 C.B. 136, which holds that an organization formed to educate the public concerning the quality of radio and television programs is exempt under section 501(c)(3).

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.