

SECTION 1. PURPOSE

The purpose of this Revenue Procedure is to extend the reliance period contained in section 1.508-1(b)(4)(i) of the Income Tax Regulations that permits grantors, contributors, and distributors to rely on the claimed public charity status of a community trust (in certain section 508(b) notices) until six months after promulgation of final regulations designated as section 1.170A-9(e)(10).

SEC. 2. BACKGROUND

.01 Section 1.508-1(b)(4)(i) of the regulations provides that grantors, contributors, and distributors to community trusts may rely on the public charity status claimed by a community trust in a section 508(b) notice filed before March 22, 1973, until six months after final regulations designated as section 1.170A-9(e)(10) become final. This reliance applies to grantors, contributors, and distributors (unless the community trust is controlled directly or indirectly by such persons) if by the 30th day after the day on which the notice is filed the community trust has not been advised by the Commissioner that it has failed to establish that it is a public charity. Reliance continues until six months after promulgation of final regulations designated as section 1.170A-9(e)(10) unless:

1 The Service issues notice to the public (such as by publication in the Internal Revenue Bulletin) that a grantor, contributor, or distributor may no longer rely on the claimed public charity status of a community trust, or

2 A grantor, contributor, or distributor acquires knowledge that the Service has notified the community trust that it has failed to establish that it is a public charity.

.02 Final regulations designated as 1.170A-9(e)(10) were filed with the Federal Register, November 11, 1976. Therefore, the six-month reliance period, if unextended, expires on May 11, 1977.

SEC. 3. EXTENSION OF RELIANCE PERIOD

The reliance period contained in section 1.508-1(b)(4)(i) is hereby extended as follows:

1 Grantors, contributors, or distributors to a community trust may rely on its claimed public charity status, in a timely filed section 508(b) notice, on or before the date the Service informs the public (through such means as publication in the Internal Revenue Bulletin) that such reliance has expired, unless

2 A grantor, contributor, or distributor acquires knowledge that the Service has notified the community trust that it has failed to establish that it is a public charity, in which case reliance expires at the time such knowledge is acquired.

SEC. 4. EFFECTIVE DATE

This Revenue Procedure is effective May 10, 1977.