

A nonprofit religious broadcasting station that does not sell commercial or advertising time is exempt under section 501(c)(3) of the Code even though it operates on a commercial license.

Advice has been requested whether a nonprofit organization formed and operated as described below is exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code of 1954.

The organization was formed for religious purposes and is directed by ordained ministers. It has a commercial license from the Federal Communications Commission under which it operates a radio station to broadcast worship services and other programs having religious content. The ministers conduct Sunday services and daily chapel hours over the air. The remaining broadcast time is devoted to religious guidance and inspirational music. Some of the religious programs are presented by other organizations that contribute toward the operating costs for the time used to the extent they are able to do so.

The organization is supported by contributions from its listening audience and amounts donated by other organizations for time used. It does not sell time for commercial purposes.

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

Under the circumstances described, the organization is carrying on religious activities by broadcasting worship services and other programs having religious content. Accordingly, the organization is exempt from Federal income tax under section 501(c)(3) of the Code.

Revenue Ruling 66-220, C.B. 1966-2, 209, provides that an organization operating radio station under a noncommercial license from the Federal Communications Commission may qualify for exemption from Federal income tax under section 501(c)(3) of the Code. Although the organization in the instant case operates under a commercial license, it does not sell time for commercial broadcasts or advertising. Thus, the operation under a commercial license does not prevent this organization from qualifying 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 (in order to establish exemption under section 501(c)(3) of the Code) file an application Form 1023, Exemption Application, with the District Director of Internal Revenue for the internal revenue district in which is located the principal place of business or principal office of the organization. See section 1.501(a)-1 of the Income Tax

Regulations.