

## **Rev. Rul. 81-28**

### ISSUE

May a nonprofit organization that provides services to relatives and friends who travel to the organization's community to visit patients at local health-care facilities qualify for exemption from federal income tax under section 501 (c) (3) of the Internal Revenue Code?

### FACTS

The organization provides free, temporary, modest housing for relatives and friends who have traveled to the organization's community to visit and comfort patients at local health-care facilities. It provides visitors with shuttle transportation to the hospitals and nursing homes. The organization also counsels the visitors on the medical and personal problems resulting from a patient's condition.

The organization is supported by donations from local community groups whose members often volunteer their services. Contributions are also made by the visitors.

### 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 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 poor and distressed.

In the general law of charity, the promotion of health is considered to be a charitable purpose. *Restatement (Second) of Trusts*, § 368, 372; *Bogert, Trusts and Trustees*, § 374 (Rev. 2d ed. 1977) ; *IV Scott on Trusts*, § § 368, 372 (3rd ed. 1967) . See Rev. Rul. 69-545, 1969-2 C.B. 117.

Rev. Rul. 69-268, 1969-1 C.B. 160, and Rev. Rul. 69-269, 1969-1 C.B. 160, hold that the visitation of patients constitutes supportive therapy that assists in patient treatment and encourages their recovery.

By providing visitors with temporary, modest housing, shuttle transportation to local health-care facilities, and counseling, the organization described above promotes health by helping to relieve the distress of hospital patients who benefit from the visitation and comfort provided by their relatives and friends. Thus, the organization is operated for the relief of the distressed within the meaning of section 1.501 (c) (3) -1(d) (2) of the regulations.

### HOLDING

A nonprofit organization that provides services to relatives and friends of patients in local health-care facilities, 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.

#### 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.