

TREASURY DEPARTMENT

WASHINGTON

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Office of:
Commissioner of Internal Revenue

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SDR

August 1, 1935

The Chicago Real Estate Board
32 West Randolph Street
Chicago, Illinois

Sirs:

Reference is made to the evidence submitted for use in determining whether you are exempt from the payment of the capital stock tax imposed by section 215 of the National Industrial Recovery Act and also whether you are exempt from the payment of Federal Income tax.

The evidence presented discloses that you are incorporated under the laws of the State of Illinois in 1883 to enable your members and others to transact their business, connected with the buying, selling, renting and caring for real estate and the loaning of money upon the same, to better advantage, by the adoption of such rules and regulations as they may deem proper, and by enabling them to take united action upon such matters as may be deemed for the common good, and by such other means as may be determined upon by your members. It is indicated that in the furtherance of your purposes you maintain quarters for your executive officers, committees and administrative staff, an auditorium for members' meetings, a real estate library, a lounge for your members, and an employed staff to keep records, collect and furnish data and perform other work incident to the conduct of the business of your Board. It is further indicated that your activities embrace many and varied services of general public interest such as conducting negotiations and formulation of agreements with the officials of the Chicago Flat Janitors' Union as to the wage scale of the flat or apartment janitors throughout the city; adopting a schedule of minimum commissions customary in the Chicago area as to gross leases, net leases, etc.; developing a code of ethics and rules governing the relationship between real estate dealers themselves and between such dealers and the public; securing an equitable and uniform system of real estate taxation; developing standard legal forms for real estate usages; cooperating with governmental agencies and law enforcing officers for the elimination of bad or illegal real estate practices; cooperating with the assessor in the valuation of property for taxes and with the county treasurer in the collection of taxes; and cooperating with and contributing to the work of the state and national real estate boards.

It is stated that you serve all property owners irrespective of whether they are affiliated with your Board; that your organization is the only one of its kind in the Chicago area and assumes as expected of it many civic responsibilities; that you have no capital stock and pay no interest

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or dividends; and that no part of your income is credited to surplus or inures to the benefit of any private shareholder or individual. It is shown that in the handling of your funds you maintain two accounts, a general fund and a permanent home fund; that while the income credited to your general fund is derived from various sources the major portion thereof is derived from membership dues and that such income is used to defray your administrative and operating expenses; and that the income credited to your permanent home fund is derived from the rentals and light payments received from the operation of your building and that such income is used to defray the expenses incident to its operation.

Based upon the facts presented, it is held that you are entitled to exemption from Federal income tax under section 103 (7) of the Revenue Act of 1932 and the corresponding sections of prior revenue acts. Accordingly, you are not liable for the filing of Federal income tax returns for 1933 and prior years. Inasmuch as section 101 (7) of the Revenue Act of 1934 is similar to section 103 (7) of the Revenue Act of 1932, Federal income tax returns for 1934 and subsequent years will not be required provided there are no changes in your purposes, your form of organization or method of operation.

Any changes in your form of organization or method of operation should be immediately reported to the collector of internal revenue for your district in order that the effect of such changes upon your present exempt status may be determined.

The exemption referred to in this letter does not apply to taxes levied under other titles or provisions of the respective revenue acts, except insofar as exemption is granted expressly under these provisions to organizations enumerated in section 101 of the Revenue Act of 1934 and the corresponding sections of prior revenue acts.

A copy of this decision is being transmitted to the collector of internal revenue for your district.

The question as to whether you are exempt from the payment of the capital stock tax imposed by section 215 of the National Industrial Recovery Act will be made the subject of a separate communication.

By direction of the Commissioner.

Respectfully,

(Signed) CHAS. F. RUSSELL
Deputy Commissioner.

CLAIM FOR EXEMPTION FROM THE CAPITAL STOCK TAX

IMPOSED BY SECTION 215 OF THE NATIONAL INDUSTRIAL RECOVERY ACT

PUBLIC, No. 67, 73d CONGRESS

Commissioner of Internal Revenue,

Through the Collector of Internal Revenue

at Chicago, Illinois.

SIR:

Claim is hereby made for exemption from capital stock tax for the following reasons:

The Chicago Real Estate Board was organized under the laws
of the State of Illinois, not for profit; the corporation
has no Capital Stock in any form, pays no dividends and is
entitled to exemption under the provisions of the Federal
Income Tax Law (Section 103, Internal Revenue Act of 1932)
and Section 215 of the National Industrial Recovery Act.

The Chicago Real Estate Board

(Name of corporation, joint stock company, or association)

By

President.

Treasurer.

(Date)

(OVER)

Memo:

This form is filed as ~~an~~ affidavit form for exemption of property is not now available at the office of the Board of Assessors.

Reg No 767-407

copy of Affidavit

for 1932 Taxes

City or Village S. C. 3.

STATE OF ILLINOIS, ss
County of Cook)

Personal Inquiry

Walter R. Drennon

being duly sworn

deposes and says that he is Secretary of The Chicago Real Estate Board.

for profit; that by an amendment to its articles of incorporation duly recorded in the recorder's office, Cook County, Illinois, on January 24, 1924, as document No. 8261161, it was provided in the subject for which the corporation was formed to enable members thereof "to take united action upon such matters as may be deemed for the common good;"

That by reason of its charter, the purposes for which it is organized and the manner in which it conducts its business this affiant is advised and believes that The Chicago Real Estate Board should be exempt from taxation under the exemptions provided in the Illinois constitution with respect to taxation and that it therefore returns herewith the schedule sent to it registered under No. 267-407 for the year of 1932 with the claim hereby submitted that it should not be assessed for taxation in any manner whatsoever.

Walter R. Drennon

Subscribed and sworn to before me this 10th day of July, A.D. 1933

John A. Shaw
Notary Public

1933 RETURN

CAPITAL STOCK TAX For Year Ending June 30, 1933

DOMESTIC CORPORATIONS

(Sec. 215, National Industrial Recovery Act, 73d Congress Public Law, No. 67)

This return must be filed with the Collector of Internal Revenue for your district on or before July 31, 1933, and the tax must be paid on or before that date.

TRIPLICATE
TO BE RETAINED BY TAXPAYER

JANUARY - MAY

(Collection district)

To be stamped by Collector, showing district and date received

- Name. The Chicago Real Estate Board
(Print name of corporation, joint stock company, or association)
- Address. 32 W. Randolph Street Chicago, Illinois
(The address must be that of the principal place of business. Give "Street and number", "City or town", and "State".)
- Name of parent company, if any. None
- Name of subsidiary, if any. None
(Or attach list and state number of shares held; also districts where filed)
- Nature of business in detail. Association of Real Estate Dealers
- Incorporated or organized in State of Illinois Month Year

SEE INSTRUCTIONS ON REVERSE SIDE

- Date of close of the last income-tax taxable year ending on or prior to the year ended June 30, 1933.
If no income-tax taxable year ending on or prior to year ended June 30, 1933, use date of organization.

Capital account as shown on balance sheet as of the date set forth in item 7 (no other date should be used)

	Number of shares	Par value per share	Total
(a) Common stock			\$
(b) First preferred stock			
(c) Second preferred stock			
(d) Surplus (or deficit)			
(e) Undivided profits			
(f) Total			

COMPUTATION OF TAX

- Original declared value for entire capital stock as of the date shown in item 7. Exemption Claimed
- Tax at rate of \$1 for each full \$1,000 in item 9 (omit cents).
- Penalty of 25 percent for delinquency in filing return.
- Interest.
- Total tax, penalty and interest.

STATE OF ILLINOIS
COUNTY OF COOK

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We, E. G. Zander, Jr., President, and A. T. Myren, Treasurer, the corporation for which this return for capital stock tax imposed by section 215 of the National Industrial Recovery Act is made; being severally duly sworn, each for himself, deposes and says that the items entered in the foregoing report, including any statements attached to or accompanying this return, are, to his best knowledge and belief and from such information as he has been able to obtain, true and correct.

Sworn to and subscribed before me this 23rd day of September 193 3

President.