

§ 1.509(a)-6

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(c) *Effect on organizations claiming section 509(a)(3) status.* If an organization claiming section 509(a)(2) status fails to meet either the one-third support test or the not-more-than-one-third support test under section 509(a)(2) by reason of the application of the provisions of paragraph (a) or (b) of this section, and such organization is one of the specified organizations (within the meaning of section 509(a)(3)(A)) for whose support or benefit an organization claiming section 509(a)(3) status is operated, the organization claiming section 509(a)(3) status will not be considered to be operated exclusively to support or benefit one or more section 509(a) (1) or (2) organizations.

[T.D. 7212, 37 FR 21922, Oct. 17, 1972, as amended by T.D. 7290, 38 FR 31834, Nov. 19, 1973; T.D. 7784, 46 FR 37890, July 23, 1981]

§ 1.509(a)-6 Classification under section 509(a).

If an organization is described in section 509(a)(1) and also in another paragraph of section 509(a), it will be treated as described in section 509(a)(1). For purposes of this section, the parenthetical language *other than in clauses (vii) and (viii)* used in section 509(a)(1) shall be construed to mean *other than an organization which is described only in clause (vii) or (viii)*. For example, X is an organization which is described in section 170(b)(1)(A)(vi), but could also meet the description of section 170(b)(1)(A)(viii) as an organization described in section 509(a)(2). For purposes of the one-third support test in section 509(a)(2)(A), contributions from X to other organizations will be treated as support from an organization described in section 170(b)(1)(A)(vi) rather than from an organization described in section 170(b)(1)(A)(viii).

[T.D. 7212, 37 FR 21923, Oct. 17, 1972]

§ 1.509(a)-7 Reliance by grantors and contributors to section 509(a) (1), (2), and (3) organizations.

(a) *General rule.* Once an organization has received a final ruling or determination letter classifying it as an organization described in section 509(a) (1), (2), or (3), the treatment of grants and contributions and the status of grantors and contributors to such organization under sections 170, 507,

545(b)(2), 556(b)(2), 642(c), 4942, 4945, 2055, 2106(a)(2), and 2522 will not be affected by reason of a subsequent revocation by the service of the organization's classification as described in section 509(a) (1), (2), or (3) until the date on which notice of change of status is made to the public (such as by publication in the Internal Revenue Bulletin) or another applicable date, if any, specified in such public notice. In appropriate cases, however, the treatment of grants and contributions and the status of grantors and contributors to an organization described in section 509(a) (1), (2), or (3) may be affected pending verification of the continued classification of such organization under section 509(a) (1), (2), or (3). Notice to this effect will be made in a public announcement by the service. In such cases the effect of grants and contributions made after the date of the announcement will depend upon the statutory qualification of the organization as an organization described in section 509(a) (1), (2), or (3).

(b) *Exceptions.* (1) Paragraph (a) of this section shall not apply if the grantor or contributor:

(i) Had knowledge of the revocation of the ruling or determination letter classifying the organization as an organization described in section 509(a) (1), (2), or (3), or

(ii) Was in part responsible for, or was aware of, the act, the failure to act, or the substantial and material change on the part of the organization which gave rise to the revocation of the ruling or determination letter classifying the organization as an organization described in section 509(a) (1), (2), or (3).

(2) Paragraph (a) of this section shall not apply where a different rule is otherwise expressly provided in the regulations under sections 170(b)(1)(A), 507(b)(1)(B), or 509.

[T.D. 7212, 37 FR 21923, Oct. 17, 1972]

§ 1.509(b)-1 Continuation of private foundation status.

(a) *In general.* If an organization is a private foundation (within the meaning of section 509(a)) on October 9, 1969, or becomes a private foundation on any subsequent date, such organization shall be treated as a private foundation