

Internal Revenue Service

Department of the Treasury

District
Director

1100 Commerce St., Dallas, Texas 75242

Date: DEC 04 1989

Crime Stoppers International, Inc.
Richard W. Carter, General Counsel
P.O. Box 231
Arlington, TX 76004-0231

Dear Mr. Carter:

This letter is in response to your correspondence addressed to The Honorable Marvin Collins. He forwarded your letter to us for response.

Your concern was that some individuals and corporations were making contributions through Crime Stoppers organizations to avoid the Form 1099 filing requirement. If they paid the awards directly to the recipients, they would be subject to filing requirements for Form 1099 under section 6041, and penalties under sections 6721 and 6722 of the Internal Revenue Code. The penalties could be up to \$150 for each Form 1099 not issued. From the information provided, we could not determine that the contributions are being made through your organizations to avoid filing Forms 1099.

In telephone conversations on November 16, 1989, and November 30, 1989, the contributions were discussed in more detail. It was disclosed that the contributions were designated for a particular crime. Section 170 of the Code provides deductibility for contributions made to qualifying organizations. Contributions to individuals are not deductible. The contributions designated for a particular crime will be claimed by an individual and therefore, the contributions may be deemed as made for a particular individual and would not be deductible for Federal income tax purposes.

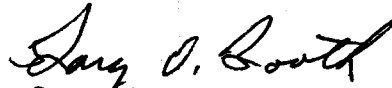
This is only an opinion letter. If you wish a ruling that can be relied on by all Crime Stoppers organizations, you should write to the following address. There is a \$400 fee for private letter rulings.

IRS Technical Ruling Section
1111 Constitution Avenue N.W.
Washington, D.C. 20024

Crime Stoppers International, Inc.

If you have additional questions, please contact our Exempt Organizations Technical Assistor at (214) 767-3526 or at the address in the heading of this letter, Mail Code 4940 DAL.

Sincerely,

A handwritten signature in cursive script, reading "Gary O. Booth".

Gary O. Booth
District Director