



Part 7. Rulings and Agreements
Chapter 25. Exempt Organizations Determinations Manual
Section 19. Veterans' Organizations

Ref: http://www.irs.gov/irm/part7/irm_07-025-019.html

7.25.19.4 (09-01-2005)

Membership Requirements

For tax years beginning after November 11, 2003:

- Section 105 of the Military Family Tax Relief Act of 2003 modifies the membership requirements for IRC 501(c)(19) veterans' organizations to include ancestors and lineal descendants of veterans or cadets in the 25% permissible non-veteran membership class.
- No more that 2.5% of the organization's total membership may consist of individuals who are not veterans or cadets or spouses, widows/widowers/ancestors, or lineal descendants of veterans or cadets.

7.25.19.4.1(09-01-2005)

Definition of Veteran

Veterans are defined as present or former members of the United States Armed Forces. IRC 7701(a)(15) defines the "military or naval forces of the United States" and the term "Armed Forces of the United States" as including all regular and reserve components of the uniformed services which are subject to the jurisdiction of the Secretary of Defense, the Secretary of the Army, the Secretary of the Navy, or the Secretary of the Air Force. Each term also includes the Coast Guard and the National Guard.

- A. National Guard Members. See Rev. Rul. 60-65, 1965-1 C.B. 21.
- B. Coast Guard Members. See IRC 7701(a)(15).
- C. Members who are on active duty or are honorably separated from the National Guard and the Reserve Forces are also considered veterans.
- D. Persons who have been dishonorably discharged from the United States Armed Forces are not considered "veterans" or "war veterans" for purposes of determining membership composition

7.25.19.6 (09-01-2005)

Contributions to Veterans' Organizations

IRC 170(c)(3) provides an income tax deduction for contributions to a post of "war veterans" if it is organized in the United States or any of its possessions, and no part of its net earnings inures to the benefit of any private shareholder or individual. To qualify for deductibility of contributions, a veterans' organization may be exempt under IRC 501(c)(19) or any other appropriate section of the Code, but must also satisfy both a membership requirement and a purpose requirement.

7.25.19.6.1 (09-01-2005)

Membership Requirement

To meet the membership requirement, at least 90% of the members must be war veterans. In addition, substantially all the other members must be either veterans (but not war veterans), or cadets, spouses, widows, or widowers of war veterans, veterans or cadets. For the purpose of the 90% test, war veterans may include members of expeditionary forces who actually served in combat situations in foreign countries between the periods of war as defined below.

Note: The organization must be organized and operated primarily for purposes that are consistent with its status as a war veterans' organization. See Rev. Rul. 84-140, 1984-2 C.B. 56.

War veterans are defined as persons, whether or not present members of the United States Armed Forces, who have served in the Armed Forces of the United States during a period of war. Periods of war are generally considered to be the same as set forth in 38 U.S.C. section 101 concerning veterans' benefits. See Rev. Rul. 59-151, 1959-1 C.B. 53, and Rev. Rul. 78-239, 1978-1 C.B. 162. Such periods include:

- A. April 21, 1898, through July 4, 1902;
- B. April 6, 1917, through November 11, 1918;
- C. December 7, 1941, through December 31, 1946;
- D. June 27, 1950, through January 31, 1955;
- E. August 5, 1964, through May 7, 1975; and
- F. August 2, 1990, and ending on the date prescribed by Presidential Proclamation or by law. As of the date of drafting of these guidelines, the date was open.