

INTERNAL REVENUE SERVICE  
P. O. BOX 2508  
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: FEB 18 2009

FARRIS CEMETERY ASSOCIATION  
C/O JAMES M FARRIS  
PO BOX 224  
HUNTSVILLE, TX 77342

Employer Identification Number:  
74-1936055  
DLN:  
17053235326028  
Contact Person: JOHN C RICE ID# 31615  
Contact Telephone Number:  
(877) 829-5500  
Accounting Period Ending:  
May 31  
Form 990 Required:  
Yes  
Effective Date of Exemption:  
February 2, 2009  
Contribution Deductibility:  
Yes

Dear Applicant:

We are pleased to inform you that upon review of your application for tax-exempt status we have determined that you are exempt from Federal income tax under section 501(c)(13) of the Internal Revenue Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

Please see enclosed Information for Organizations Exempt Under Sections Other Than 501(c)(3) for some helpful information about your responsibilities as an exempt organization.

Section 170(c)(5) of the Code provides for the deduction for Federal income tax purposes of contributions to cemetery companies of the type described in section 501(c)(13). To be deductible, the contributions must be voluntary and must be made to or for the use of a nonprofit cemetery whose funds are irrevocably dedicated to the care of the cemetery as a whole. A donor may not deduct a contribution made for the perpetual care of a particular lot or crypt. Furthermore, payments made to a cemetery company as a part of the purchase price of a burial lot or crypt, even though irrevocably dedicated to the perpetual care of the cemetery as a whole, are not deductible.

Letter 948 (DO/CG)

FARRIS CEMETERY ASSOCIATION

Sincerely,

A handwritten signature in cursive script that reads "Robert Choi". The signature is written in black ink and is positioned above the typed name.

Robert Choi  
Director, Exempt Organizations  
Rulings and Agreements

Enclosure: Information for Organizations Exempt Under Sections Other  
Than 501(c)(3)

FARRIS CEMETERY ASSOCIATION

INFORMATION FOR ORGANIZATIONS EXEMPT UNDER SECTIONS  
OTHER THAN 501(C)(3)

WHERE TO GET FORMS AND HELP

You can obtain forms and instructions by calling toll free 1-800-829-3676, through the IRS Web site at [www.irs.gov](http://www.irs.gov), and at local tax assistance centers.

You can obtain additional information about most topics discussed below through our customer service function by calling toll free 1-877-829-5500, or on our Web Site at [www.irs.gov/eo](http://www.irs.gov/eo). In addition, you should sign up for Exempt Organization's EO Update, a regular e-mail newsletter that highlights new information posted on the charities pages of [irs.gov](http://irs.gov). To subscribe, go to [www.irs.gov/eo](http://www.irs.gov/eo) and click on "EO Newsletter."

REPORTING CHANGES TO THE IRS

You must report changes in your name, address, purposes, operations or sources of financial support on your annual information return. You may also report these changes to the TE/GE Exempt Organizations Determinations Office at the following address: Internal Revenue Service, P.O. Box 2508, Cincinnati, OH 45201. However, such reporting does not relieve you of the obligation to report the changes on your annual return.

TIP: Attach copies of any state certified articles of incorporation, or if an association signed constitution, bylaws, or other organizational document showing the changes. Trusts should provide trust instruments. If state certified copies or signed governing documents are not available, an authorized officer may certify that the governing document provided is a complete and accurate copy of the original document.

Please use your employer identification number on all returns and in all correspondence with the Internal Revenue Service.

FILING REQUIREMENTS

In your exemption letter, we indicated whether you must file Form 990, Return of Organization Exempt From Income Tax. If your exemption letter states that you are not required to file Form 990, you are exempt from these requirements. Otherwise, if your gross receipts are normally more than \$25,000, you must file Form 990 or Form 990-EZ with the Ogden Submission Processing Center, Ogden, UT, 84201-0027.

You are eligible to file Form 990-EZ if your gross receipts are normally between \$25,000 and \$100,000, and your total assets are less than \$250,000. You must file the complete Form 990 if your gross receipts are over \$100,000, or your total assets are over \$250,000. The Form 990 instructions show how to compute your "normal" receipts.

FARRIS CEMETERY ASSOCIATION

Organizations With Gross Receipts of \$25,000 or Less

For tax periods beginning after December 31, 2006, you must file an annual electronic Form 990-N ("e-Postcard") if your gross receipts are normally \$25,000 or less. Alternatively, you may file a complete Form 990 Package if we send one to you. For information on filing the new electronic Form 990-N ("e-Postcard"), visit our Web site at [www.irs.gov/eo](http://www.irs.gov/eo).

Due Date of Return or Annual Electronic Notice

Your return or annual electronic notice is due by the 15th day of the fifth month after the end of your annual accounting period. There are penalties for failing to file a complete return timely. For additional information on penalties, see the Form 990 instructions or call our toll free number.

Revocation of Tax-Exempt Status

For tax periods beginning after December 31, 2006, your tax-exempt status will be revoked as of the filing due date for the third year if you fail to file for three consecutive years Form 990, Form 990-EZ, or the electronic Form 990-N.

If your tax-exempt status is revoked because you failed to file, you must reapply for exemption and pay the appropriate user fee.

UNRELATED BUSINESS INCOME TAX RETURN

If you receive more than \$1,000 annually in gross receipts from a regular trade or business, you may be subject to Unrelated Business Income Tax and required to file Form 990-T, Exempt Organization Business Income Tax Return. Special rules for organizations exempt under sections 501(c)(7), (9), (17) and (19) are described in Publication 598, Tax on Unrelated Business Income of Exempt Organizations.

There are several exceptions to the tax on unrelated business income:

1. Income you receive from the performance of your exempt activity,
2. Income from fundraisers conducted by volunteer workers, or where donated merchandise is sold, and
3. Income from routine investments such as certificates of deposits, savings accounts, or stock dividends.

There are special rules for income derived from real estate or other investments purchased with borrowed funds. This income is called "debt financed" income. For additional information regarding unrelated business income tax, see Publication 598, Tax on Unrelated Business Income of Exempt Organizations, or call our toll free number shown above.

PUBLIC INSPECTION OF APPLICATION AND INFORMATION RETURN

FARRIS CEMETERY ASSOCIATION

You are required to make your annual information return, Form 990 or Form 990-EZ, available for public inspection for three years after the later of the due date of the return, or the date the return is filed. You are also required to make available for public inspection your exemption application, any supporting documents, and your exemption letter. You must also provide copies of these documents to any individual, upon written or in person request, without charge other than reasonable fees for copying and postage.

You may fulfill this requirement by placing these documents on the Internet. Penalties may be imposed for failure to comply with these requirements. Additional information is available in Publication 557, Tax-Exempt Status for Your Organization, or call our toll free number shown above.

EXCESS BENEFIT TRANSACTIONS  
(Applies to 501(c)(4) organizations)

Excess benefit transactions are governed by section 4958 of the Code. Excess benefit transactions involve situations where a section 501(c)(4) organization provides an unreasonable benefit to a person who is in a position to exercise substantial influence over the organization's affairs. If you believe there may be an excess benefit transaction in which you are involved, you should report the transaction on Form 990 or Form 990-EZ. For information on how to correct and report this transaction, see the instructions for Form 990 and Form 990-EZ, or call our toll free number shown above.

EMPLOYMENT TAXES

If you have employees, you are subject to income tax withholding and the social security taxes imposed under the Federal Insurance Contribution Act (FICA). You are required to withhold Federal income tax from your employee's wages and you are required to pay FICA on each employee who is paid more than \$100 in wages during a calendar year. To know how much income tax to withhold, you should have a Form W-4, Employee's Withholding Allowance Certificate, on file for each employee.

You are also liable for tax under the Federal Unemployment Tax (FUTA) for each employee you pay \$50 or more during a calendar quarter if, during the current or preceding calendar year, you had one or more employees at any time in each of 20 calendar weeks or you paid wages of \$1,500 or more in any calendar quarter.

Employment taxes are reported on Form 941, Employer's Quarterly Federal Tax Return. The requirements for withholding, depositing, reporting and paying employment taxes are explained in Circular E, Employer's Tax Guide, (Publication 15), and Employer's Supplemental Tax Guide, (Publication 15-A). These publications explain your tax responsibilities as an employer.

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EFFECTIVE DATE

The effective date of your exemption is February 2, 2009, the date that you signed a resolution that you would no longer engage in both scholarships and timber sales.