

February 13, 1992

Kathleen Hennon  
Business Manger  
Shea Federal Credit Union  
1000 SW 84th Avenue  
Pembroke Pines, Florida 33025

Re: Tax Exemption (Your January 28, 1992, Letter)

Dear Ms. Hennon:

You have asked whether you have to file Florida tax forms. As you know, federal credit unions are non-profit organiza- tion and pursuant to Section 122 of the FCU Act (12 U.S.C. Section 1768), are exempt from all taxes imposed by the United States or by any State, Territorial, or local taxing authority except for local real or personal property tax. Furthermore, Section 501(c)(1) of the Internal Revenue Code explicitly exempts federal credit unions from federal income tax.

The instructions for Form F-1120 states that:

Non-profit organizations which are fully exempt from the federal income tax and have a "determination letter" from the Internal Revenue service to that effect, must file a copy of the determination letter attached to Form F-1120 for the first year they qualify as an exempt organization or the first year subject to the Florida Income Tax Code. Additional returns will not be required as long as they continue to qualify for exemption from federal income tax.

Although the FCU is clearly exempt from the Florida income tax, we recommend you contact the Florida Department of Rev- enue and inquire what form they require of you since federal credit unions do not receive determination letters from the Internal Revenue Service ("IRS"). Enclosed, as you re- quested, are the tax forms you asked us to review. Also en- closed are two letters which may prove helpful; Letter to Credit Unions #100 with an enclosed letter from the IRS to NCUA stating that FCUs are 501(c)(1) tax exempt organizations and a recent letter on the tax exempt status of federal credit unions signed by the NCUA General Counsel.

Sincerely,

Hattie M. Ulan  
Associate General Counsel

Enclosures

GC/MM:sg  
SSIC 3601  
92-0203