

EXHIBIT 8

CIVIC LEAGUES

Organization

Civic leagues are tax-exempt organizations created under section 501(c)(4) of the Internal Revenue Code. This section defines the types of groups that are either employee organizations or social welfare organizations. Most people are primarily concerned with the second definition, social welfare organizations. Civic leagues formed for social welfare are usually created in the same way that corporate foundations are; that is, they are created through the formation of a non-profit corporation. The purpose clause of these civic league corporations, however, differs from that of a section 501(c)(3) private foundation. If the purpose clause of a non-profit corporation's articles of incorporation contain the word "welfare" or gives enough scope so that the organization can deal with social welfare outside of the limits of science, education, etc. (section 501(c)(3)), then the Treasury will usually consider the organization to be a civic league.

Differences Between a Private Foundation and a Civic League

Other than the purpose clause difference, the civic league is generally more flexible in terms of operation than the private foundation. A civic league may participate in most business activities without tax problems and a civic league may, to a limited extent, participate actively in politics. The rule concerning political action is: if legislation would affect the ultimate social purpose of the civic league, then the organization may lobby for or against that legislation or support candidates who tend to support the objective of the civic league. Private foundations, as you might know, are barred from such activities.

Civic leagues, however, cannot receive deductible charitable contributions; that is, an individual donating to a civic league may not deduct that donation from his income tax liability for that particular year. Civic leagues are not considered charities and are usually not controlled by any charitable trust acts.

Common Examples of Modern Civic Leagues

The following organizations have been found by the Treasury to be 501(c)(4) civic leagues:

1. American Legion
2. U. S. Lawn Tennis Association
3. An organization concerned with the suppression and punishment of crime