

if they are unrelated to the exempt purposes of the organization. For example, the regular sale of drug supplies to the general public by a hospital pharmacy is not taxable since the hospital merely furnishes supplies in accordance with its exempt purposes. In the same way, sales of books by a college book store to students or sales of goods, where the exempt function of the organization involved the sale of goods, would not be unrelated business activity. If the trade or business is substantially related to the exempt purpose there is no tax liability. The Treasury states that where the production or distribution of the goods or the performance of services does contribute importantly to the accomplishment of the exempt purpose of the organization, the income from the sale of the goods or the performance of the service is a related trade or business, but the relationship is a matter of fact in each case and the Treasury has refused to lay down substantial standards of relation. They have chosen instead to review each case as it occurs. The Treasury is