

editorial

AIP in the public interest

The American Institute of Physics is a "scientific, educational, and charitable" organization that operates in the public interest. Indeed, AIP has always been granted tax exemption by the Internal Revenue Service on the basis of being such an organization.

The appropriateness of this exemption was recently called into question by an IRS agent from the district office who issued a "Report of Examination" dated 21 November 1977 proposing that AIP lose its exemption because it was "not organized and operated exclusively for charitable, educational and scientific purposes."

The loss of this exemption would have meant an increase in taxes of hundreds of thousands of dollars each year and possible loss of favorable postal rates. The impact on physics research journals could have been disastrous since AIP publishes almost 90% of the research articles originating in the US.

However, that agent's proposal has not prevailed. On 26 February 1979 the national office of the IRS reaffirmed AIP's status as a 501(c)(3) tax-exempt corporation. In a letter from that office, the IRS stated, "We have considered your appeal of the proposed adverse determination regarding your exempt status issued by the District Director in Manhattan, New York, by letter dated 30 November 1977, and have decided in your favor."

We are gratified that the IRS administrative appeals process has resulted in a favorable decision and that AIP can continue to operate as a tax-exempt organization in the public interest.

The IRS is actively reviewing the eligibility of "scientific, educational, and/or charitable organizations"; we believe that the activities of tax-exempt organizations, including AIP, should be periodically reviewed to determine continued compliance with the intent of the statutes.

We are pleased to recall that questions raised about the tax status of The American Physical Society were also recently decided favorably by the regional IRS office (November, page 75). And we hope that favorable decisions by the IRS will soon be forthcoming for other US scientific and engineering societies who found their tax status challenged this past year.

The ruling of the national office means that AIP will continue to enjoy this favored status as long as we continue to operate as a scientific, educational and charitable organization. The undersigned and the Governing Board of the American Institute of Physics are dedicated to that continuation. In this dedication, we feel assured of the enthusiastic support of the physics and astronomy community whom we are chartered to serve.

PHILIP M. MORSE

Chairman of the Board

H. WILLIAM KOCH

Director

American Institute of Physics