

Internal Revenue Service
District Director

Department of the Treasury

P. O. Box 2508
Cincinnati, OH 45201

Date: June 24, 1998

Person to Contact:

Carol Kraft

Telephone Number:

513-241-5199

Fax Number:

513-684-5936

Federal Identification Number:

36-2193608

Accounting Period Ends

December 31

Shriners Hospitals for Children
P.O. Box 31356
Tampa, FL 33631-3356

Dear Sir or Madam:

We have received the copy of the Articles of Amendment to the Articles of Incorporation filed with the Secretary of State of Colorado on July 19, 1996, indicating that the name has been changed from Shriners Hospitals for Crippled Children to the name shown above.

This letter supersedes our letter dated August 13, 1998.

In March 1937 we issued a determination letter that recognized your organization as exempt from federal income tax under section 101(6) of the Internal Revenue Code of 1939 (now section 501(c)(3) of the Internal Revenue Code of 1986). That determination letter is still in effect.

We classified your organization as a publicly supported organization, and not a private foundation, because it is described in sections 509(a)(1) and 170(b)(1)(A)(iii) of the Code. This classification was based on the assumption that your organization's operations would continue as stated in the application. If your organization's purposes, character, method of operations, or sources of support have changed, please let us know so we can consider the effect of the change on the organization's exempt status and foundation status.

Your organization is required to file Form 990, Return of Organization Exempt from Income Tax, only if its gross receipts each year are normally more than \$25,000. If a return is required, it must be filed by the 15th day of the fifth month after the end of the organization's annual accounting period. The law imposes a penalty of \$20 a day, up to a maximum of \$10,000, when a return is filed late, unless there is reasonable cause for the delay.

As of January 1, 1984, your organization is liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$100 or more the organization pays to each of its employees during a calendar year. There is no liability for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Organizations that are not private foundations are not subject to the excise taxes under Chapter 42 of the Code. However, these organizations are not automatically exempt from other federal excise taxes. If you have any questions about excise, employment, or other federal taxes, please let us know.

Donors may deduct contributions to your organization as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to your organization or for its use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

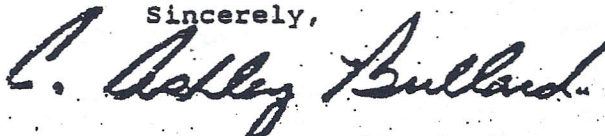
Shriners Hospitals for Children
36-2193608

Your organization is not required to file federal income tax returns unless it is subject to the tax on unrelated business income under section 511 of the Code. If your organization is subject to this tax, it must file an income tax return on Form 990-T, Exempt Organization Business Income Tax Return. In this letter, we are not determining whether any of your organization's present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

Because this letter could help resolve any questions about your organization's exempt status and foundation status, you should keep it with the permanent records of the organization.

If you have questions, you may direct them to us at the address or telephone number shown in the heading of this letter.

Sincerely,

A handwritten signature in cursive script that reads "C. Ashley Bullard". The signature is written in dark ink and is positioned above the typed name.

C. Ashley Bullard
District Director