

### Important!

## For Rotary Clubs in the U.S.A.

### Your Tax Obligations

#### You Must File Form 990 with Collector of Internal Revenue

While the Commissioner of Internal Revenue of the Treasury Department of the United States has ruled that Rotary clubs in the U.S.A. are exempt from payment of federal income tax under the provisions of Section 101 (9) of the Internal Revenue Code and the corresponding provisions of prior revenue acts, the Office has also ruled that Rotary clubs must file annually an information return on Form 990 with the collectors of internal revenue for the various districts so long as the exemption from payment of income tax remains in effect. This form should be obtained from the local collector of internal revenue and is required to be filed on or before the first day of the third month following the close of the annual accounting period.

It is important that EVERY CLUB IN THE U.S.A. obtain a copy of Form 990 and file it with its local collector of internal revenue as required. For clubs which have fiscal years ending with June 30th, the date for filing Form 990 would be on or before September 1st. Clubs which have fiscal years ending with May 31st would have to file Form 990 on or before August 1st.

#### You May Be Liable for New "Withholding Tax"

Any Rotary club in the U.S.A. which pays its secretary, or has in its employ anyone who receives a salary in excess of the exemptions allowed in the new 20% withholding tax, should become thoroughly familiar with the provisions of the law governing the payment of this tax so that, effective the 1st of July, 1943, each club affected will fully comply with the provisions of the law.

#### You May Be Liable for Social Security Tax

Periodically inquiries are received from Rotary clubs in the U.S.A. as to whether they are liable for Social Security tax on compensation paid to their secretaries.

An amendment to the U. S. Social Security Act provides exemption for service performed in any calendar quarter in the employ of any organization exempt from income tax under Section 101 of the Internal Revenue Code, if the remuneration for such service is less than \$45.00 for the quarter. Since Rotary clubs are exempt from income tax under Section 101 of the Internal Revenue Code, it would appear that if a club pays its secretary less than \$45.00 every three months, it is not liable for payment of Social Security tax but that if the secretary receives \$45.00 or more quarterly, the club is liable for payment of Social Security tax.

If your club secretary receives from the club compensation for his services of \$45.00 or more quarterly, it would be well to check the matter with your lawyer member as to the club's liability under the Social Security Act.

Details can be obtained from the nearest collector of internal revenue, the local banker, or a tax consultant.

It should be kept in mind that one who may not be subject to the 20% withholding tax may, nevertheless, be subject to the 3% Victory tax.

#### Near a Cannery?

As various crops come along in different parts of the country the canners have a very serious problem this year in getting the necessary temporary help to carry through the process of canning, dehydrating or freezing. In order not to lose the valuable crops, it is important that communities help the processors meet the manpower problem. The usual part-time workers have, for the most part, been drained off either for the army or for defense plants. Hence this year it may be necessary to recruit help for the processing plants from people who would normally not take employment of this sort—office and store employees, housewives, students and others.

If there is a cannery or dehydrating or freezing plant in or near your town, your Rotary club can render a valuable service by approaching either the county agricultural agent, the U. S. Employment Service, the manager of the processing plant or the local Office of Civilian Defense, (it varies in different communities), and offering the services of the Rotary club in endeavoring to solve the problem. Some communities have even gone so far as to close the business establishments in town at noon on each day for a period of two or three weeks when the crop is at its prime in order to provide assistance in processing the crop. There may be a serious shortage of canned, dehydrated or frozen foods next winter if every effort is not made now to process each crop as it comes along.

#### "Click" Reports on Rotary

When "Click" magazine planned a series of photo-essays on America's major organizations, it selected Rotary as representative of the service clubs. In its August issue, "Click" will present a five-page feature on Rotary International and the Rotary Club of Middletown, Ohio, which was designated by "Click" as a typical Rotary club.

#### When You Buy a New Car

No automobile dealer can legally require a prospective purchaser to turn in used cars or to buy unwanted accessories as part payment for a new car. Motorists should find such a statement posted prominently on the dealer's premises.

—Office of Price Administration  
Washington, D. C.