

ALABAMA DEPARTMENT OF REVENUE
REVENUE RULING 97-017

This document may not be used or cited as precedent. Ala. Code §40-2A-5(a) (1993 Replacement Volume).

TO: Company A

FROM: Commissioner of Revenue
Alabama Department of Revenue

DATE: November 21, 1997

RE: Whether the name change of a foundation exempt from all tax pursuant to the provision of Ala. Code §40-9-12(a) will affect its tax exempt status.

FACTS

Company A is an Alabama nonprofit corporation and is specifically enumerated in Ala. Code §40-9-12(a) as being exempt from all Alabama tax as well as exempting from taxation all of its real and personal property. Company A proposes to change its corporate name to Company B. The reason for this change is to more accurately reflect the broader mission of the Company in the promotion of certain activities in general as opposed to a single activity.

The purposes for which Company A, was organized are exclusively to foster and conduct national or international (or both) amateur sports competition and to support and develop amateur athletes for national or international (or both) competition in sports, all strictly in accordance with the provisions of Sections 501(c)(3) and (j) and 170(c)(2)(B) of the Internal Revenue Code of 1986, as currently in effect and as amended from time to time. The corporation has the power to hold, manage, invest and reinvest funds in a manner which will qualify this corporation as an exempt organization under Section 501(c)(3) and (j), and one to which contributions are deductible under Section 170(c)(2)(b) of the Internal Revenue Code of 1986 and its Regulations as they now exist or as they may hereafter be amended.

The corporation further has all powers available to corporations pursuant to the Alabama Nonprofit Corporation Act as currently in effect and as it may be amended from time to time, and shall have the power, either directly or indirectly, either alone or in conjunction or cooperation with others, to do any and all lawful acts and things and to engage in any and all lawful acts which may be necessary, desirable, or proper for the furtherance and accomplishment of the purposes for which the corporation is organized.

Company A has engaged and now engages in numerous activities to promote amateur athletics, including sponsoring and coordinating the Birmingham Olympic soccer competition, involvement with Southeastern Conference baseball championship tournament, promotion of NCAA basketball contests, and other similar activities. It is Company A's belief that a change in name more accurately identifies the expanded mission of the Company.

The contemplated transaction will consist of the Company A's Board approving, and authorizing the Foundation's President and Secretary to execute and file, Articles of Amendment to the Articles of Incorporation of the Foundation changing the name of Company A to Company B. This amendment in and of itself will result in no other changes in the operation and objectives of the Company.

ISSUE

Whether the name change of Company A to Company B affect its tax exempt status as provided for by Ala. Code §40-9-12(a).

ANALYSIS

The exemption granted by Ala. Code §40-9-12(a) is granted to a specific corporation and its real and personal property. The particular name of the exempted corporate taxpayer is irrelevant to the exemption, provided the underlying corporate entity has not changed. The statutory exemption continues to apply until repealed.

The mere change of Company A to Company B does not modify, revoke, amend nor negate the exemption granted to the foundation and its property. Alabama law is clear that a change in a corporate name has no more effect upon a corporation's identity than a change of name by a natural person has upon his identity. A corporate name change does not affect its rights, nor lessen or add to its obligations. North Birmingham Lumber Company v. Sims and White, 157 Ala. 595, 48 So. 84 (Ala. 1908).

In this particular case, Company B will continue the charitable activities in

which Company A was engaged at the time the original exemption was granted.

CONCLUSION

Based on the facts and law discussed above, the name change of Company A to Company B will not affect its tax exempt status as provided for by Ala. Code §40-9-12(a).

H. E. "GENE" MONROE, JR.

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