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MUNSEY BUILDING
WASHINGTON, D. C.
CABLE ADDRESS "WIMYQUI"

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NEW YORK ADDRESS
165 BROADWAY

Dr. Wilder G. Penfield
200 Cote St. Antoine Road
Montreal, Canada

Dear "Wide":

Our day at Bonnie Oaks, on the road and at Magog seems like a page out of a fairy book and too good to have really happened. Mae and I talked of Magog and the possibility of joining you there most of the way home and many times since we came home. It just seems to us that we must somehow find a way to take advantage of the opportunity you have made there. I will write you later on this after the children come home and we talk it over with them.

You ask my opinion as to whether or not citizens of the United States may deduct from their gross income under our Federal income tax law contributions or gifts made within the taxable year to or for the use of "any corporation, or trust, * * *, fund or foundation organized and operated exclusively for religious, charitable, scientific, literary or educational purposes * * *, no part of the net earnings of which inures to the benefit of any private stockholder or individual", if, as in the case you have in mind, the corporation, trust or foundation was organized under the laws of a country foreign to the United States. Our Federal Act does not provide that the contribution is deductible only if made to a domestic corporation. I am, therefore, of the opinion that contributions to foreign corporations, trusts or foundations of the character specified in the law quoted above are deductible as charitable contributions the same as if made to a domestic corporation, trust or foundation.

Our Federal estate tax law permits deduction from the gross estate in determining the net estate of the amount of all bequests, legacies, devises or transfers to or for the use of any corporation organized and operated exclusively for religious, charitable, scientific, literary or educational purposes. Our Federal regulations state that the deduction is not limited in the case of the estates of resident decedents to transfers to domestic corporations or associations or to trustees for use within the United States. I am, therefore, of the opinion that contributions made to your foundation by a bequest in a will would be deductible from the gross estate in the case of a decedent resident in the United States.

The cost of organizing a corporation commonly known as a non-profit corporation in most jurisdictions is purely nominal. Outside of attorney's fees in the District of Columbia the cost of organization is a few dollars, depending upon the number of words in the certificate. New York and Canada no doubt have equally liberal provisions for non-profit, scientific corporations.

Mae and I arrived in Washington a week ago last night and found our garden in great need of attention and water. I fully intended to play around the house for a week but made the mistake of calling my office and a few minutes thereafter found myself in harness again. I wish we could see you sometime this fall. Maybe it will be possible. In any event, we certainly will make the try.

Love to you all from us all,

Paul.