April 16, 1968

Dear :

The Senate reversed the Treasury Regulation on taxing of income received from advertising in publications of not-for-profit organizations. In effect, they restored these publications to the status they had prior to the Treasury Regulations. I think that this was more of an expression of Congressional authority to tax than the actual merits of the issue. It may well be that the Congress will now consider this matter on its merits when we begin consideration of a revenue reform measure.

When the section on nonrelated income was considered there was no mention made in the bill, in the report, or in the debate about advertising income. Consequently there were many who felt that the Revenue Service improperly relied upon the section of the Tax Code and the Congress had not intended that it mean what the Revenue Service said.

Sincerely,

Everett McKinley Dirksen