

Holy Cross Armenian Church  
P.O. Box 2387, Station C  
Downsview, Ontario  
M3N 2V8

Your file    Votre référence

Our file    Notre référence

52457

Tel. (613) 996-9365

Attention: Mr. A. Kurkjian

November 14, 1980

Dear Sirs:

Re: Holy Cross Armenian Church

Reference is made to your letter dated August 20, 1980. We regret the delay in replying caused by our present backlog.

You state in your letter that the Church is asked to send diocesan dues, dues of a considerable amount, for which the church does not receive any specific service, to the Diocese of the Armenian Church of America in New York. You question if such a transaction would comply with the provisions of the Canadian Income Tax Act.

The Holy Cross Armenian Cross is presently operating as a "charitable organization" within the meaning of paragraph 149.1(1)(b) of the Act. In order to meet the requirements of a "charitable organization" within the meaning of the aforementioned paragraph a charity must devote all its resources to charitable activities carried on by the charity itself. Pursuant to paragraph 149.1(6) of the Act a charitable organization shall be considered to be devoted its resources to charitable activities carried on by it to the extent that:

- (a) it carries on a related business;
- (b) in any taxation year, it disburses not more than 50% of income for that year to qualified donees; or
- (c) it disburses income to a registered charity that the Minister has designated in writing as a charity associated with it.

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Qualified donees are listed in paragraphs 110(1)(a) and (b) of the Act and are reproduced in Appendix C of the enclosed Information Circular.

As the Diocese of the Armenian Church of America is not a qualified donee we must advise that any distribution of funds to the Diocese would not provide for compliance with the provisions of the Income Tax Act and, as such, could place the status of the Holy Cross Armenian Church as a registered charity in jeopardy.

We trust this fully explains the matter.

Yours sincerely,



Miss E.J. Crober  
Charitable and Non-Profit Organizations Section  
Department of National Revenue, Taxation

EJC/db(HOL)

28-8-27C

Enclosure

*Due: one not charitable donation  
- August 20/80  
- Appendix C - Information Circular*