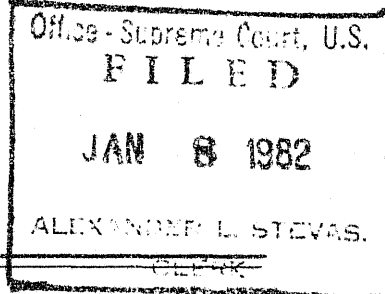


Nos. 81-1 and 81-3



In the Supreme Court of the United States

OCTOBER TERM, 1981

GOLDSBORO CHRISTIAN SCHOOLS, INC., PETITIONER

v.

UNITED STATES OF AMERICA

BOB JONES UNIVERSITY, PETITIONER

v.

UNITED STATES OF AMERICA

*ON WRITS OF CERTIORARI TO
THE UNITED STATES COURT OF APPEALS FOR
THE FOURTH CIRCUIT*

MEMORANDUM FOR THE UNITED STATES

LAWRENCE G. WALLACE
*Acting Solicitor General
Department of Justice
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BEST AVAILABLE COPY

In the Supreme Court of the United States

OCTOBER TERM, 1981

No. 81-1

GOLDSBORO CHRISTIAN SCHOOLS, INC., PETITIONER

v.

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UNITED STATES OF AMERICA

*ON WRITS OF CERTIORARI TO
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MEMORANDUM FOR THE UNITED STATES

This Court granted writs of certiorari in the above-captioned cases and ordered consolidation on October 13, 1981. Petitioners seek reversal of the court of appeals' decisions upholding Internal Revenue Service rulings that were applied to them, because of certain racially discriminatory practices, to deny tax-exempt status as "religious" or "educational" institutions under Section 501(c)(3) of the Internal Revenue Code of 1954 (26 U.S.C.) ("Code") and sister Code provisions regarding federal social security taxes

(Section 3121(b)(8)(B) of the Code) and federal unemployment taxes (Section 3306(c)(8) of the Code), and to deny them status as eligible donees of charitable contributions under Section 170(a) and (c) of the Code.

Since the filing of our Brief acquiescing in the granting of certiorari in these cases, the Department of the Treasury has initiated the necessary steps to grant petitioner Goldsboro Christian Schools tax-exempt status under Section 501(c)(3) of the Code, and to refund to it federal social security and unemployment taxes in dispute. Similarly, the Treasury Department has initiated the necessary steps to reinstate tax-exempt status under Section 501(c)(3) of the Code to petitioner Bob Jones University, and will refund to it federal social security and unemployment taxes in dispute. Finally, the Treasury Department has commenced the process necessary to revoke forthwith the pertinent Revenue Rulings that were relied upon to deny petitioners tax exempt status under the Code.¹

The United States therefore asks that the judgments of the court of appeals be vacated as moot.

Respectfully submitted.

LAWRENCE G. WALLACE
*Acting Solicitor General**

JANUARY 1982

¹The applicable rulings are Rev. Rul. 71-447, 1971-2 Cum. Bull. 230; Rev. Proc. 72-54, 1972-2 Cum. Bull. 834; Rev. Rul. 75-231, 1975-1 Cum. Bull. 158; Rev. Proc. 75-50, 1975-2 Cum. Bull. 587.

*The Solicitor General is disqualified in these cases.

