DEPARTMENT OF THE TREASURY 200427 05E
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

COPY FOR YOUR INFORMATION

Date: JUN 09 1999

Contact Person:

ID Number:

Telephone Number:

[redacted]

UIL: 501.00-00

Employer Identification Number: [redacted]

Dear Applicant:

We have considered your application for recognition of exemption from federal income tax under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3). Based on the information submitted, we have concluded that you do not qualify for exemption under that section. The basis for our conclusion is set forth below.

FACTS

You were formed on [redacted]. Article [redacted] of your Certificate of Incorporation indicates the purposes for which you were formed are:

> To arrange by contract for the delivery or provision of health services by individuals, entities, and facilities licensed or certified to practice medicine and other health professions, and as appropriate, ancillary medical services and equipment, by which arrangements such health care providers and suppliers will provide their services in accordance with and for such compensation as may be established by a contract between the Corporation and one or more health maintenance organizations which have been granted a certificate of authority pursuant to the provisions of [redacted], as amended.

According to the description of your activities in your Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code, Form 1023, you were formed to facilitate the provision of mental health services to a population in need. These services are provided by a network of mental health care providers who are affiliated with you. These providers will provide these services under contracts entered into by you with various Health Maintenance Organizations ("HMOs"). You will review the credentials of the network providers to determine their eligibility and establish quality control and clinical practice procedures.

Except for [redacted] all your members are organizations exempt from federal income tax under section 501(c)(3) of the Code.

You indicated that you were formed by mental health care providers to accommodate the forthcoming changes in the health care service field. These changes will designate HMOs as sole providers of these services to a population in need. The HMOs will seek to make use of mental

[redacted]

health care providers, but will choose to do so through organizations representing multiple providers. You will be such an organization. It is the belief of these mental health care providers that when [redacted] changes the delivery system for such services to a managed care model, only intermediary organizations, such as yourself, will be able to provide these services.

LAW AND ANALYSIS

Section 501(c)(3) of the Internal Revenue Code provides for the exemption from federal income tax of organizations organized and operated exclusively for charitable, scientific or educational purposes, provided no part of the organization's net earnings inures to the benefit of any private shareholder or individual.

Section 1.501(c)(3)-1(a)(l) of the Income Tax Regulations provides that in order for an organization to be exempt as one described in section 501(c)(3) of the Code, it must be both organized and operated exclusively for one or more exempt purposes. Under section 1.501(c)(3)-1(d)(1)(i)(b) of the regulations, an exempt purpose includes a charitable purpose.

Section 1.501(c)(3)-1(d)(2) of the regulations provides that the term "charitable" is used in Code section 501(c)(3) in its generally accepted legal sense. The promotion of health has long been recognized as a charitable purpose. See Restatement (Second) of Trusts, sections 368, 372 (1959); 4A Scott and Fratcher, The Law of Trusts, sections 368, 372 (4th ed. 1989); Rev. Rul. 69-545, 1969-2 C.B. 117.

Section 1.501(c)(3)-l(b)(l) of the regulations provides that an organization is organized exclusively for one or more exempt purposes only if its articles of organization (a) limit the purposes of such organization to one or more exempt purposes and (b) do not expressly empower the organization to engage, otherwise than as an insubstantial part of its activities, in activities which in themselves are not in furtherance of one or more exempt purposes.

Section 1.501(c)(3)-l(c)(l) of the regulations provides that an organization will be regarded as "operated exclusively" for one or more exempt purposes only if it engages primarily in activities which accomplish one or more of such exempt purposes specified in section 501(c)(3) of the Code. An organization will not be so regarded if more than an insubstantial part of its activities is not in furtherance of an exempt purpose.

Section 1.501(c)(3)-l(e)(l) of the regulations states that an organization which is organized and operated for the primary purpose of carrying on an unrelated trade or business is not exempt under section 501(c)(3) of the Code.

In Better Business Bureau of Washington, D.C. v. United States, 326 U.S. 279, 283 (1945), the Court stated that "the presence of a single . . . [nonexempt] purpose, if substantial in nature, will destroy the exemption regardless of the number or importance of truly . . . [exempt] purposes."

In Rev. Rul. 69-545, 1969-2 C.B. 117, the Service established the community benefit standard as the test by which the Service determines whether a hospital is organized and operated for the charitable purpose of promoting health.

Geisinger Health Plan v. Commissioner, 985 F.2d 1210 (3rd Cir. 1993), rev'd 62 TCM 1656 (1991) ("Geisinger II"), held that a prepaid health care organization that arranges for the provision of health care services only to its members benefits its members, not the community as a whole and

[redacted]

therefore does not promote health in a charitable sense. Under the community benefit standard, the organization must benefit the community as a whole in addition to its members. In concluding that the organization did not qualify for exemption under section 501(c)(3) on the basis of promoting health, the court of appeals stated that an organization must meet a "flexible community benefit test based on a variety of indicia."

Rev. Rul. 75-197, 1975-1 C.B. 156, held that a nonprofit organization that operates a free computerized donor authorization retrieval system to facilitate transplantation of body organs upon a donor's death qualifies for exemption under section 501(c)(3) of the Code because by facilitating the donation of organs which will be used to save lives, it is serving the health needs of the community and therefore is promoting health within the meaning of the general law of charity.

Rev. Rul. 77-68, 1977-1 C.B. 142, held that a nonprofit organization formed to provide individual psychological and educational evaluations, as well as tutoring and therapy, for children and adolescents with learning disabilities qualified for exemption under section 501(c)(3) of the Code because it both promoted health and advanced education. Because its services are designed to relieve psychological tensions and thereby improve the mental health of the children and adolescents, it promoted health.

In Rev. Rul. 77-69, 1977-1 C.B. 143, an organization was formed as a Health Systems Agency (HSA) under the National Health Planning and Resources Development Act of 1974. As an HSA, the organization's primary responsibility was the provision of effective health planning for a specified geographic area and the promotion of the development within that area of health services, staffing and facilities that met identified needs, reduced inefficiencies and implemented the HSA's health plan. The revenue ruling concluded that by establishing and maintaining a system of health planning and resources development aimed at providing adequate health care, the HSA was promoting the health of the residents of the area in which it functioned. Therefore, the HSA qualified for exemption under section 501(c)(3) of the Code on the basis that it promoted health.

Rev. Rul. 81-298, 1981-1 C.B. 328, held that a nonprofit organization that provides housing transportation and counseling to hospital patients' relatives and friends who travel to the locality to assist and comfort the patients qualifies for exemption under section 501(c)(3) of the Code because it promotes health by helping to relieve the distress of hospital patients who benefit from the visitation and comfort provided by their relatives and friends.

In Professional Standards Review Organization of Queens County, Inc. v. Commissioner, 74 T.C. 240 (1980), acq., 1980-2 C.B. 2 ("Queens County PSRO"), the Tax Court held that an organization that reviewed the propriety of hospital treatment provided to Medicare and Medicaid recipients was exempt under section 501(c)(3) of the Code because it lessened the burdens of government and promoted the health of persons eligible for Medicare and Medicaid.

In Rev. Rul. 81-276, 1981-2 C.B. 128, the Service held that a PSRO qualifies for exemption under section 501(c)(3) of the Code because it lessens the burdens of government and promotes the health of the beneficiaries of the Medicare and Medicaid programs.

Living Faith, Inc. v. Commissioner, 950 F.2d 365 (7th Cir. 1991), involved an organization that operated restaurants and health food stores with the intention of furthering the religious work of the Seventh-Day Adventist Church as a health ministry. However, the Seventh Circuit held that these activities were primarily carried on for the purpose of conducting a commercial business enterprise. Therefore, the organization did not qualify for recognition of exemption under section 501(c)(3) of the Code.

Federation Pharmacy Services, Inc. v. Commissioner, 72 T.C. 687 (1979), aff'd, 625 F.2d 804 (8th Cir. 1980), held that while selling prescription pharmaceuticals promotes health, pharmacies cannot qualify for recognition of exemption under section 501(c)(3) on that basis alone.

Rev. Rul. 70-535, 1970-2 C.B. 117, describes an organization formed to provide management, development and consulting services for low and moderate income housing projects for a fee. The revenue ruling held that the organization did not qualify for exemption under section 501(c)(4) of the Code.

Rev. Rul. 54-305, 1954-2 C.B. 127, involves an organization whose primary purpose is the operation and maintenance of a purchasing agency for the benefit of its otherwise unrelated members who are exempt as charitable organizations. The ruling held that the organization did not qualify under section 101(6) of the Code (the predecessor to section 501(c)(3)) because its activities consisted primarily of the purchase of supplies and the performance of other related services. The ruling stated that such activities in themselves cannot be termed charitable, but are ordinary business activities.

Rev. Rul. 69-528, 1969-2 C.B. 127, describes an organization formed to provide investment services on a fee basis only to organizations exempt under section 501(c)(3) of the Code. The organization invested funds received from participating tax exempt organizations. The service organization was free from the control of the participating organizations and had absolute and uncontrolled discretion over investment policies. The ruling held that the service organization did not qualify under section 501(c)(3) of the Code and stated that providing investment services on a regular basis for a fee is a trade or business ordinarily carried on for profit.

Rev. Rul. 72-369, 1972-3 C.B. 245, deals with an organization formed to provide management and consulting services at cost to unrelated exempt organizations. This revenue ruling held that providing managerial and consulting services on a regular basis for a fee is a trade or business that is ordinarily carried on for profit. The fact that the services in this case were provided at cost and solely for exempt organizations was not sufficient to characterize this activity as charitable within the meaning of section 501(c)(3) of the Code.

In Rev. Rul. 77-3, 1977-1 C.B. 140, a nonprofit organization that provides rental housing and related services at cost to a city for its use as free temporary housing for families whose homes have been destroyed by fire is not a charitable organization exempt under section 501(c)(3) of the Code.

In B.S.W. Group, Inc. v. Commissioner, 70 T.C. 352 (1978), the organization entered into consultant-retainer relationships with five or six limited resource groups involved in the fields of health, housing, vocational skills and cooperative management. The organization's financing did not resemble that of the typical section 501(c)(3) organization. It had neither solicited, nor received, any voluntary contributions from the public. The court concluded that because its sole activity consisted of offering consulting services for a fee, set at or close to cost, to nonprofit, limited resource organizations, it did not qualify for exemption under section 501(c)(3) of the Code.

In Christian Stewardship Assistance, Inc. v. Commissioner, 70 T.C. 1037 (1978), a nonprofit corporation that assisted charitable organizations in their fund raising activities by providing financial planning advice on charitable giving and tax planning to wealthy individuals was held not to qualify for exemption under section 501(c)(3) of the Code because its tax planning services were a

substantial nonexempt activity enabling the corporation to provide commercially available services to wealthy individuals free of charge.

Section 502 of the Code states that an organization operated for the primary purpose of carrying on a trade or business for profit is not tax exempt on the ground that all of its profits are payable to one or more tax-exempt organizations.

Section 1.502-l(b) of the regulations provides that a subsidiary organization of a tax exempt organization may be exempt on the ground that the activities of the subsidiary are an integral part of the exempt activities of the parent organization. However, the subsidiary is not exempt from tax if it is operated for the primary purpose of carrying on a trade or business which would be an unrelated trade or business if regularly carried on by the parent organization.

In Rev. Rul. 78-41, 1978-1 C.B. 148, a trust created by a hospital to accumulate and hold funds to pay malpractice claims against the hospital was determined to be an integral part organization because the hospital exercised significant financial control over the trust. This was because the trustee was required to make payments to claimants at the direction of the hospital, the hospital provided the funds for the trust and the hospital directed where the funds from the trust were to be paid.

Geisinger Health Plan v. Commissioner, 100 T.C. 394 (1993), ("Geisinger III"), aff'd, 30 F.3d 494 (3rd Cir. 1994) ("Geisinger IV"), held that a prepaid health plan did not qualify for exemption under section 501(c)(3) of the Code based on the integral part doctrine of section 1.502-l(b) of the regulations.

Section 513(a) of the Code defines the term "unrelated trade or business" as any trade or business the conduct of which is not substantially related (aside from the need of the organization for income or funds or the use it makes of the profits derived) to the exercise or performance by such organization of the purpose or function constituting the basis for its exemption.

Section 513(a)(2) of the Code provides that the term "unrelated trade or business" does not include any trade or business which is carried on, in the case of an organization described in section 501(c)(3), such as a hospital, by the organization primarily for the convenience of its patients.

Section 1.513-l(a) of the regulations defines "unrelated business taxable income" to mean gross income derived by an organization from any unrelated trade or business regularly carried on by it, less directly connected deductions and subject to certain modifications. Therefore, gross income of an exempt organization subject to the tax imposed by section 511 of the Code is includible in the computation of unrelated business taxable income if: (1) it is income from trade or business; (2) such trade or business is regularly carried on by the organization; and (3) the conduct of such trade or business is not substantially related (other than through the production of funds) to the organization's performance of its exempt functions.

Section 1.513-l(b) of the regulations states that the phrase "trade or business" includes activities carried on for the production of income which possess the characteristics of a trade or business within the meaning of section 162 of the Code. Section 1.513-l(c) of the regulations explains that "regularly carried on" has reference to the frequency and continuity with which the activities productive of the income are conducted and the manner in which they are pursued.

Section 1.513-l(d)(l) of the regulations states that the presence of the substantially related requirement necessitates an examination of the relationship between the business activities which

generate the particular income in question--the activities, that is, of producing or distributing the goods or performing the services involved--and the accomplishment of the organization's exempt purposes.

Section 1.513-1(d)(2) of the regulations states that a trade or business is related to exempt purposes only where the conduct of the business activity has a causal relationship to the achievement of an exempt purpose, and is substantially related for purposes of section 513, only if the causal relationship is a substantial one. Thus, for the conduct of a trade or business from which a particular amount of gross income is derived to be substantially related to purposes for which exemption is granted, the production or distribution of the goods or the performance of the services from which the gross income is derived must contribute importantly to the accomplishment of those purposes.

Section 1.513-l(d)(4)(i) of the regulations states that gross income derived from charges for the performance of exempt functions does not constitute gross income from the conduct of unrelated trade or business.

Section 501(e) of the Code provides that a cooperative hospital service organization is treated as if it were exempt under section 501(c)(3) if it performs certain specific service activities enumerated in the statute (e.g., "clinical" services). These services must be performed for two or more exempt hospitals and the organization must allocate or pays, within 8-1/2 months after the end of the year, all net earnings to its members on the basis of the services performed for them. To qualify under section 501(e), the services must be such that if they were performed by an exempt hospital, they would constitute activities in exercising or performing the purpose or function constituting the basis for the hospital's exemption. Therefore, implicit in section 501(e) is the requirement that hospital service organization must also satisfy the community benefit standard of Rev. Rul. 69-545, supra.

Section 1.501(e)-1 of the regulations provides that section 501(e) is the exclusive and controlling section under which a cooperative hospital service organization can qualify as a charitable organization.

In HCSC-Laundry v. U.S., 450 U.S. 1 (1981), the Supreme Court held that a cooperative laundry organization that served exempt organizations could not qualify as exempt under section 501(c)(3) because laundry services is not one of the activities enumerated in section 501(e).

Section 1.170A-9(c)(1) of the regulations provides that the term "hospital" includes a rehabilitation institution, an outpatient clinic or community mental health or drug treatment center which may qualify as a hospital if its principal purpose or function is the providing of hospital or medical care.

RATIONALE

Your activities consist of arranging for the provision of behavioral health care services by your members (one of which is a commercial enterprise) for persons enrolled in an unrelated Medicaid HMO, and providing administrative and management services for your members in connection with this activity.

[redacted]

Under the regulations, an organization that is organized and operated exclusively for charitable purposes may qualify for exemption under section 501(c)(3) of the Code. The promotion of health has long been recognized as a charitable purpose.

Whether a hospital promotes health in a charitable manner is determined under the community benefit standard of Rev. Rul. 69- 545, supra. This standard focuses on a number of factors to determine whether the hospital benefits the community as a whole rather than private interests. The application of the community benefit standard to exempt hospitals and other exempt health care organizations was sustained in Eastern Kentucky Welfare Rights Org. v. Simon, 506 F.2d 1278 (D.C. Cir. 1974), vacated on other grounds, 426 U.S. 26 (1975); and in Sound Health Association v. Commissioner, 71 T.C. 158 (1978), acq., 1981-2 C.B. 2.

The Service and the courts have recognized that the promotion of health includes activities other than the direct provision of patient care. See Rev. Rul. 81-298, supra; Rev. Rul. 81-276, supra; Rev. Rul. 77-69, supra; Rev. Rul. 77-68, supra; Rev. Rul. 75-197, supra; and Queens County PSRO, supra.

However, an organization that merely promotes health, without more, is not entitled to recognition of exemption under section 501(c)(3) of the Code. See Livina Faith, Inc. v. Commissioner, supra; and Federation Pharmacy Services, Inc. v. commissioner, supra. Therefore, by arranging for the provision of mental health care services by your members for the benefit of limited groups of persons, you do not satisfy the community benefit standard of Rev. Rul. 69-545, supra.

Although your activities promote health, you do not promote health in a charitable manner. Any benefits derived by the community from your activities--arranging for the provision of behavioral health care services by your members for persons enrolled in an unrelated Medicaid HMO, and providing administrative and management services for your members in connection with this activity--are remote and incidental.

Your activities are commercial rather than charitable. You are essentially providing commercial services to your members. A nonprofit organization that provides ordinary business services for one or more exempt health care organizations does not promote health in a charitable manner. See Rev. Rul. 70-535, supra; Rev. Rul. 54-305, supra; Rev. Rul. 69-528, supra; Rev. Rul. 72-369, supra; Rev. Rul. 77-3, supra; B.S.W. Group, Inc. v. Commissioner, supra; and Christian Stewardship Assistance, Inc. v Commissioner, supra.

In Geisinger II, supra, the court of appeals held that an HMO did not qualify for exemption under section 501(c)(3) of the Code because arranging for the provision of health care services exclusively for the organization's members primarily benefited
the members, not the community as a whole. Under the community benefit standard, the organization must benefit the community as a whole in addition to its members. In concluding that the organization did not qualify for exemption under section 501(c)(3) on the basis of promoting health, the court of appeals stated that an organization must meet a "flexible community benefit test based on a variety of indicia."

By arranging for the provision of, behavioral health care services by your members and by providing administrative and management services to your members in connection therewith, your activities primarily benefit your members, not the community as a whole. You perform no activities that directly benefit the community as a whole, so that any benefits derived by the community from your activities are remote and incidental.

[redacted]

Therefore, you do not satisfy the "flexible community benefit test based on a variety of indicia" established in Geisinger II, supra.

Because you have not established that you promote health in a charitable manner, you are not operated exclusively for a charitable purpose. See section 1.501(c)(3)-l(c)(l) of the regulations and Better Business Bureau of Washington, D.C. v. United States, supra. Therefore, you do not qualify for exemption under section 501(c)(3) of the Code as a charitable organization on the basis that you promote health.

Under section 1.502-l(b) of the regulations, one organization may derive its exemption from a related organization exempt under section 501(c)(3) of the Code if the former organization is an integral part of the exempt organization. To obtain exemption derivatively, the two organizations must be "related" and the subordinate entity must perform "essential" services for the parent.

Section 1.502-1(b) of the regulations includes the example of a subsidiary that is operated for the sole purpose of furnishing electric power used by its parent organization, a tax exempt educational organization, in carrying on its educational activities. See Rev. Rul. 78-41, supra. However, a subsidiary organization that is engaged in an activity that would be considered an unrelated trade or business if it were regularly carried on by the exempt parent does not provide an essential service for the parent. The regulations include an example of a subsidiary organization that is operated primarily for the purpose of furnishing electric power to consumers other than its parent organization. Also, if a subsidiary organization were owned by several unrelated exempt organizations and operated for the purpose of furnishing electric power to each of them, it could not be exempt because the business would be an unrelated trade or business if regularly carried on by any one of the tax exempt organizations. For this purpose, organizations are related only if they consist of a parent and one or more of its subsidiaries, or subsidiaries having a common parent. An exempt organization is not related to another exempt organization merely because they both engage in the same type of exempt activities. See section 1.502-l(b) of the regulations.

You are controlled by exempt organizations that are not structurally related to each other as well as by for-profit entities. A substantial portion of your activities consists of arranging for the provision of behavioral health care services by your members for persons enrolled in an unrelated Medicaid HMO, and providing administrative and management services for your members in connection with this activity. Thus, if any one of your members regularly performed these services, they would constitute an unrelated trade or business. First, as explained previously, these services would not constitute the promotion of health in a charitable manner. In addition, these services would not contribute importantly to the accomplishment of the member's exempt purpose of promoting the health of the community, and thus would not have a substantial causal relationship, as described in section 1.513-1(d)(2) of the regulations, to the achievement of the member's exempt purpose. Thus, your activities, if performed by any of your members for any other members, would be considered an unrelated trade or business. As a result, the services you provide for your members do not satisfy the requirements of section 1.502-l(b) of the regulations and you do not qualify for exemption under the integral part doctrine.

Further, in Geisinger III, supra, the Tax Court held that a prepaid health plan created by an exempt hospital system was not an integral part of the system because a substantial portion of the enrollees of the plan, approximately [redacted]%, were not patients of the exempt hospitals in the hospital system. The Tax Court reasoned that providing services to such a significant number of nonsystem patients precluded a finding that the plan's activities were devoted to furthering the exempt purposes of the hospitals in the system.

[redacted]

In Geisinger IV, supra, the Third Circuit Court of Appeals affirmed the Tax Court, stating that the integral part doctrine has two requirements: (1) the subordinate organization must not be engaged in activities that would be unrelated trade or business activities if the parent engaged in these activities directly, and (2) the subordinate organization's relationship to the parent must enhance (or "boost") the subsidiary's ability to accomplish charitable purposes to such a degree that the subsidiary could qualify for exemption on its own merits.

The Third Circuit concluded that the prepaid health plan did not receive any boost from its association with the exempt hospitals in the hospital system. The patients the plan provided to the system, i.e., the plan's enrollees, were the same patients that it served without its association with the hospital system. Thus, the court concluded that the plan did not satisfy the integral part test because it was not rendered "more charitable" by virtue of its association with the exempt hospitals in the system.

In the Geisinger cases, the exempt hospitals were related to each other because they were all part of the same hospital system. In your case, however, the HMOs are operated by exempt organizations that are not related to each other. Therefore, the Geisinger cases do not apply to your organization.

Nevertheless, even if the Geisinger cases do apply, there is no evidence establishing that the persons for whom you provide services, i.e., the enrollees in HMOs, are independently also patients of your members. Therefore, under Geisinger III, supra, since your activities do not further the exempt purposes of your members, the integral part doctrine does not apply.

Further, there is no evidence establishing that you receive a charitable "boost" from your member organizations. The patients you provide to your members, the enrollees of HMOs, are the same persons that you would serve without your association with the member organizations. Therefore, under Geisinger IV, supra, since you are not rendered "more charitable" by virtue of your association with the member health care providers, the integral part doctrine does not apply.

As a result, you do not qualify for exemption under section 501(c)(3) of the Code based on the integral part doctrine.

An organization that provides services for hospitals that are exempt under section 501(c)(3) of the Code may qualify for exemption under section 501(c)(3) if it meets the requirements of Section 501(e). However, the exemption applies only to organizations that provide one or more of the services specifically enumerated in the statute and the regulations. Since section 501(e) is the exclusive means by which a hospital service organization may qualify for exemption under section 501(c)(3) (see section 1.501(e)-1 of the regulations and HCSC Laundry, supra) a hospital service organization providing services other than those specifically enumerated in the statute does not qualify for exemption.

Under section 1.170A-9(c)(1) of the regulations, your members may be considered to be hospitals. However, even if your activities were considered as providing clinical services for your member hospitals, you do not satisfy the community benefit standard of Rev. Rul. 69-545, supra, and not all your members are described in section 501(c)(3), both of which are required for exemption under section 501(e) of the Code. Furthermore, you do not meet the requirements of section 501(e)(2) regarding allocation or payment of net earnings. Therefore, under section 501(e), you do not qualify as an organization that is treated as exempt under section 501(c)(3).

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Accordingly, you do not qualify for exemption as an organization described in section 501(c)(3) of the Code and you must file federal income tax returns.

Contributions to you are not deductible under section 170 of the Code.

You have the right to protest this ruling if you believe it is incorrect. To protest, you should submit a statement of your views to this office, with a full explanation of your reasoning. This statement, signed by one of your officers, must be submitted within 30 days from the date of this letter. You also have a right to a conference in this office after your statement is submitted. You must request the conference, if you want one, when you file your protest statement. If you are to be represented by someone who is not one of your officers, that person will need to file a proper power of attorney and otherwise qualify under our Conference and Practices Requirements.

If you do not protest this ruling in a timely manner, it will be considered by the Internal Revenue Service as a failure to exhaust available administrative remedies. Section 7428(b)(2) of the Code provides, in part, that a declaratory judgement or decree under this section shall not be issued in any proceeding unless the Tax Court, the United States Court of Federal Claims, or the District Court of the United States for the District of Columbia determines that the organization involved has exhausted administrative remedies available to it within the Internal Revenue Service.

If we do not hear from you within 30 days, this ruling will become final and a copy will be forwarded to the EP/EO key district office. Thereafter, any questions about your federal income tax status should be directed to that office, either by calling (a toll free number) or sending correspondence to: Internal Revenue Service, EP/EO [redacted] The appropriate State Officials will be notified of this action in accordance with Code section 6104(c).

When sending additional letters to us with respect to this case, you will expedite their receipt by using the following address:

Internal Revenue Service
[Name, symbols, room number]
1111 Constitution Ave, N.W.
Washington, D.C. 20224

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely,

Marvin Friedlander

Marvin Friedlander
Chief, Exempt Organizations
Technical Branch 1