



Person to Contact: [Redacted]
 Telephone Number: [Redacted]
 Refer Reply to:
 Internal Revenue Service



Date: FEB 7 1989

Dear Applicant:

We have considered your application for recognition of exemption from Federal Income Tax under Section 501(c)(4) of the Internal Revenue Code.

The information submitted discloses that you were incorporated on [Redacted] under the nonprofit corporation laws of the State of [Redacted].

According to your Articles of Incorporation, the purposes of your organization are:

- (A) Provide and promote residential housing and development within the community.
- (B) Promote and provide educational and intellectual enhancement within the community.
- (C) Promote and develop cultural, economic, political and social awareness within the community.
- (D) Conduct on-going research for opportunities to improve the welfare, productivity and advancement of professional, commercial, industrial and trade associations in the community.
- (E) Organize and operate a recreational club that provides social awareness activities to enhance the health, productivity, social welfare and consciousness of the community.

Code	Initial	Received	Received	Received	Received	Received	Received
Summary	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
Date	2/1/89	2/1/89	2/1/89	2/1/89	2/1/89	2/1/89	2/1/89

[REDACTED]

(P) Exercise all other legal powers permitted General Not For Profit Corporations to make a positive contribution to society for the existing and foreseeable communities of the State of [REDACTED].

You plan to provide the following facilities for your community: library, museum, performing arts center, housing development and community service center. You have received no income to date and are not operational.

In a development letter dated [REDACTED] you were asked to furnish a detailed description of your past, present and proposed activities. Each activity required the following information.

- 1) A general description of the activity including its purpose and function.
- 2) When it was or will be initiated.
- 3) How, when, where and by whom it is or will be conducted.
- 4) Requirements a person or organization must meet in order to participate in or receive benefits from the activity.
- 5) Any charges or fees, their amount and their basis.
- 6) What the activity has accomplished or will accomplish.
- 7) We also asked you to submit copies of any brochures pamphlets, newsletters, advertisement or any other literature regarding your organization.

In your response dated [REDACTED], you stated "Several goals are at a stand still, since their continuance relates to our request for nonprofit corporate status. We have no employees, published literature, supplies nor equipment. All materials are voluntarily shared or bought. The volume of future activities depend on employee productivity. Charges and fees are based upon necessity and occurrence in operational expenses.... [REDACTED]"

[REDACTED] fundamental purpose is to promote and develop cultural, economic, political and social awareness within the Black American Community. Our goal is to provide comprehensive community services to our community in the forms of; Technical Assistance; Free Enterprise Development; Housing and Neighborhood Revitalization; Education and Cultural Enrichment.

Section 501(c)(4) of the Code provides for the exemption from Federal Income Tax civic leagues or organizations not organized for profit but operated exclusively for the promotion of social welfare.

We wish to call your attention to Revenue Procedure 84-46, 1984-1 C.B. 541, which reads, in part, as follows:

Section 5. "Exempt status will be recognized in advance of operations if proposed operations can be described in sufficient detail to permit a conclusion that the organization will clearly meet the particular requirements of the section under which exemption is claimed. A mere restatement of purposes or a statement that proposed activities will be in furtherance of such purposes will not satisfy this requirement. The organization must fully describe the activities in which it expects to engage, including the standards, criteria, procedures, or other means adopted or planned for carrying out the activities; the anticipated sources of receipts; and the nature of contemplated expenditures. Where the organization cannot demonstrate to the satisfaction of the Service that its proposed activities will be exempt, a record of actual operations may be required before a ruling or determination letter will be issued. In those cases where an organization is unable to describe fully its purposes and activities, a refusal to issue a ruling, or determination letter will be considered an adverse determination from which administrative appeal rights will be afforded..."

You have been unable to provide us with a detailed description of what specific activities you plan to conduct, when you plan to conduct them, where they will be conducted, who will be participating in them, or even how often they will be carried on. Without a description of your specific activities, we are unable to make a determination as to your qualifications as an organization described in Section 501(c)(4) of the Code. Therefore, under the authority of the above mentioned Revenue Procedure, it is held that a record of actual operations will be required before a ruling or determination will be issued.

Accordingly, we hold that you are not an organization operated exclusively for the promotion of social welfare within the meaning of Section 501(c)(4) since you are not primarily engaged in promoting the common good and general welfare of the people of the community. Therefore, you do not qualify for exemption as an organization described in Section 501(c)(4) and are required to file Federal Income Tax Returns on Form 1120.

If you do not agree with these conclusions, you may within 30 days from the date of this letter, file a brief of the facts, law and arguments (in duplicate) which clearly sets forth your position. In the event you desire an oral discussion of the issues, you should so indicate in your submission. A conference will be arranged in the Regional Office after you have submitted your brief to the Chicago District Office and we have had an opportunity to consider the brief and it appears that the conclusions reached are still unfavorable to you. Any submission must be signed by one of your principal officers. If the matter is to be handled by a representative, the Conference and Practice Requirements regarding the filing of a power of attorney and evidence of enrollment to practice must be met. We have enclosed Publication 892, Exempt Organization Appeal Procedures for Adverse Determinations, which explains in detail your rights and procedures.

Please keep this determination letter in your permanent records.

If you agree with this determination please sign and return the enclosed Form 6018.

Very truly yours,


District Director

Enclosures:
Publication 892
Form 6018