

Internal Revenue Service
Regional Commissioner

Department of the Treasury

Date: FEB 1 1985

Key District:
[REDACTED]

Year(s):
[REDACTED]

Determination
Person to Contact:
[REDACTED]

Contact Telephone Number:
[REDACTED]

Gentlemen:

We considered your appeal of the adverse action proposed by your key District Director. The paragraph(s) checked below indicate(s) our decision.

Your exemption from Federal income tax under section 501(c)(8) of the Internal Revenue Code is:

- confirmed.
- modified. A new determination letter is enclosed.
- denied or revoked. You are required to file Federal income tax returns on Form 1120 for the above years. You should file these returns with your key District Director, EP/EO Division, within 30 days from the date of this letter, unless a request for extension of time is granted.
- You are not a private foundation because you are described in Code section(s) _____.
- You are an operating foundation as described in code section 4942(j)(3).
- You have no liability for excise taxes under IRC _____ for the above years.
- Your liability for excise taxes under IRC _____ for the above year(s) was properly reported on your return(s).
- There is no change to your unrelated business income tax liability as reported for the above years.
- Your Form(s) 990-T for the above years are accepted as filed.
- Your organization is not operated under the lodge system.

You may direct questions about the decision to the appeals officer whose name and telephone number are shown above.

Sincerely yours,

Associate Chief

Internal Revenue Service

Department of the Treasury

District
Director

450 Golden Gate Ave.
San Francisco, Calif. 94102

[REDACTED]

Person to Contact:

[REDACTED]

Telephone Number:

[REDACTED]

Refer Reply to:

[REDACTED]

Date:

EIN: [REDACTED]

FEB 22 1984

Dear Applicant:

We have considered your application for exemption from Federal income tax as an organization described in section 501(c)(8) of the Internal Revenue Code of 1954.

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

Section 501(c) of the Internal Revenue Code of 1954 describes certain organizations exempt from income tax under section 501(a) and reads, in part, as follows:

- "(8) Fraternal beneficiary societies, orders, or associations--
 - (A) operating under the lodge system or for the exclusive benefit of the members of a fraternity itself operating under the lodge system, and
 - (B) providing for the payment of life, sick, accident, or other benefits to the members of such society, order, or association or their dependents."

Section 1.501(c)(8)-1 of Income Tax Regulations reads as follows:

"(a) A fraternal beneficiary society is exempt from tax only if operated under the "lodge system" or for the exclusive benefit of the members so operating. "Operating under the lodge system" means carrying on its activities under a form of organization that comprises local branches, chartered by a parent organization and largely self-governing, called lodges, chapters, or the like. In order to be exempt it is also necessary that the society have an established system for the payment to its members or their dependents of life, sick, accident, or other benefits."

In response to our letter of [REDACTED], you stated that the corporation was formed for the purpose of operating a fraternal beneficiary society and providing for the payment of sick, accident, or death benefits to members and dependents. Your Articles of Incorporation also state that membership may be increased to include subordinate bodies or lodges. However, you stated that your fraternal society does not have active branches or chapters.

Based upon the information presented, it is the determination of this office that you are not operating under the lodge system or for the exclusive benefit of the members of a fraternity itself operating under the lodge system and therefore not entitled to exemption from Federal income tax as an organization described in section 501(c)(8) of the Internal Revenue Code of 1954.

You are required to file Federal income tax returns annually, with your District Director.

If you are in agreement with this proposed determination, we request that you sign and return the enclosed agreement Form 6018. Please note the instructions for signing on the reverse side of this form.

If you are not in agreement with this proposed determination, we recommend that you request a hearing with our office of Regional Director of Appeals. Your request for a hearing should include a written appeal giving the facts, law, and any other information to support your position as explained in the enclosed Publication 892. You will then be contacted to arrange a date for a hearing. The hearing may be held at the office of Regional Director of Appeals or, if you request, at a mutually convenient District Office. A self-addressed envelope is enclosed.

Sincerely yours,

District Director

Enclosures:
Publication 892
Form 6018