

Internal Revenue Service

Department of the Treasury

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Washington, DC 20548
Release copies to District



Date [Redacted]

Person to Contact:

Surname [Redacted]

Telephone Number:

Refer Reply to:

Date [Redacted]

NOV 10 1982

Dear Applicant:

We have considered your application for recognition of exemption under section 501(c)(3) of the Internal Revenue Code.

The information submitted indicates that you were incorporated on [Redacted] under the laws of the State of [Redacted]. You were formed for educational, scientific, charitable and religious purposes within the meaning of section 501(c)(3) of the Code, and to develop character traits such as discipline and self-respect; to encourage good health practices and physical fitness; and to provide opportunities for enjoyable recreation activity through the promotion of, assistance in, or operation of jogging, track, cross-country, orienteering, and related programs serving individuals in the [Redacted] area.

Your primary activities include holding [Redacted] Runs every other week. [Redacted] Runs are social and semi-competitive races open to anyone interested in walking, jogging and running. The event is timed and participants are given certificates for their performances. You also conduct an annual race, the [Redacted]. The race is a 7-mile, 3-mile and 1-mile fitness jogging you sponsor with the American Heart Association with proceeds from the race going to the American Heart Association. You also formed a program for senior citizens to participate in a walk for exercise each day.

You encourage the general public to participate in walking, jogging and running to improve their physical and mental conditions.

Your other activities include holding meetings and publishing a weekly newsletter containing race results, coming events, and articles on running.

In a letter dated [Redacted] you indicate that although your activities are not exclusively educational in nature, you believe that your recreational activities add impact to your being an educational organization.

Section 501(c)(3) of the Code provides for exemption of organizations organized and operated exclusively for charitable, or educational purposes, or to foster national or international amateur sports competition (but only if no part of its activities involve the provision of athletic facilities or equipment).

Section 1.501(c)(3)-1(a)(1) of the Income Tax Regulations provides that in order to be exempt as an organization described in section 501(c)(3), an organization must be both organized and operated exclusively for one or more of the purposes specified in such section. If an organization fails to meet either the organizational test or the operational test, it is not exempt.

Section 1.501(c)(3)-1(c)(1) 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). 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 501(j)(2) of the Code provides that a qualified amateur sport organization described in section 501(c)(3) is any organization organized and operated exclusively to foster national or international amateur sports competition if such organization is also organized and operated primarily to conduct national or international competition in sports or to support and develop amateur athletes for national or international competition in sports.

Rev. Rul. 70-4, 1970-1 C.B. 126, describes an organization which was formed for the stated purpose of promoting the health of the general public by encouraging all persons to improve their physical condition and of fostering by educational means public interest in a particular sport for amateurs. Its primary activities include promoting the sport by circulating printed materials conducting exhibitions, tournaments and giving occasional instructive clinics. The revenue ruling holds that the organization's activities are not exclusively educational within the meaning of section 501(c)(3), and therefore the organization is not exempt under section 501(c)(3). However, its activity is providing wholesome activity for the social improvement and welfare of the community and promotes the common good and general welfare of the community. As such, it may qualify for exemption under section 501(c)(4).

Your activities are analogous to that of the organization described in Rev. Rul. 70-4. While we also believe that your activities promote wholesome activity for the physical, mental and social improvement and welfare of the people of the community, such activities are not exclusively educational within the meaning of section 501(c)(3) of the Code.

Since you are engaged in more than an insubstantial part of your activities not in furtherance of one or more exempt purposes specified in section 501(c)(3) of the Code, you are not considered "operated exclusively" for one or more exempt purposes as provided by section 1.501(c)(3)-1(c)(1) of the regulations.

We have also considered that you are not a qualified amateur sports organization as defined in section 501(j) of the Code because you are not organized and operated primarily to conduct national or international competition in sports. Neither do you support or develop amateur athletes for national or international competition.

Therefore, you do not qualify for exemption under section 501(c)(3) 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, with a full explanation of your reasoning. This statement, signed by one of your principal officers, must be submitted in duplicate within 21 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 principal officers, that person will need to file a proper power of attorney and otherwise qualify under our Conference and Practices requirements.

When sending additional letters with respect to this case to the Internal Revenue Service, you will expedite their receipt by placing the following symbols on the envelope: [REDACTED]. These symbols do not refer to your case but rather to its location.

If we do not hear from you within 21 days, this ruling will become final, and copies of it will be forwarded to the District Director, Cincinnati, Ohio. Thereafter, any questions about your federal income tax status or the filing of tax returns should be addressed to that office.

If you do not protest this proposed 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 judgment or decree under this section shall not be issued in any proceeding unless the Tax Court, the Court of 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."

Sincerely yours,

(Signed) [REDACTED]

[REDACTED]
Director,
Exempt Organizations Division

cc: State officials

cc: [REDACTED]

cc: [REDACTED]