

UFL
501.07-05

200 51 90 85



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
230 S. Dearborn Street
Chicago, IL 60604

Date: December 17, 2004

[REDACTED]

Taxpayer Identification Number:

[REDACTED]

Person to Contact/ID Number:

[REDACTED]

Contact Telephone Number:

[REDACTED]

CERTIFIED MAIL-Return Receipt Requested

Dear [REDACTED]

In our determination letter dated [REDACTED] we recognized you as exempt from Federal Income Tax under section 501(c)(7) of the Internal Revenue Code.

You have consented to our findings by signing Form 6018, Consent To Proposed Action, on June 26, 2004. A copy is enclosed for your records.

This is a final revocation letter.

If you have any questions, please contact the person whose name and telephone number are shown above.

Sincerely,

A handwritten signature in black ink that reads "R.C. Johnson".

R.C. Johnson
Director, EO Examinations

Enclosures:
Form 6018-A
Pub. 892

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501.07-05

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TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

DEPARTMENT OF THE TREASURY
Internal Revenue Service
4929CHI Simpson
230 S. Dearborn Street
Chicago, IL 60604

August 20, 2004



Taxpayer Identification Number:
[Redacted]
Form:
990
Tax Year(s) Ended:
[Redacted]
Person to Contact/ID Number:
[Redacted]
Contact Numbers:
Telephone: [Redacted]
Fax: [Redacted]

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Dear [Redacted]

We have enclosed a copy of our report of examination explaining why we believe an adjustment of your organization's exempt status is necessary.

If you do not agree with our position you may appeal your case. The enclosed Publication 3498, *The Examination Process*, explains how to appeal an Internal Revenue Service (IRS) decision. Publication 3498 also includes information on your rights as a taxpayer and the IRS collection process.

If you request a conference, we will forward your written statement of protest to the Appeals Office and they will contact you. For your convenience, an envelope is enclosed.

If you and Appeals do not agree on some or all of the issues after your Appeals conference, or if you do not request an Appeals conference, you may file suit in United States Tax Court, the United States Court of Federal Claims, or United States District Court, after satisfying procedural and jurisdictional requirements as described in Publication 3498.

You may also request that we refer this matter for technical advice as explained in Publication 892, *Exempt Organization Appeal Procedures for Unagreed Issues*. If a determination letter is issued to you based on technical advice, no further administrative appeal is available to you within the IRS on the issue that was the subject of the technical advice.

If you accept our findings, please sign and return the enclosed Form 6018, *Consent to Proposed Adverse Action*. We will then send you a final letter modifying or revoking exempt status. If we do not hear from you within 30 days from the date of this letter, we will process your case on the basis of the recommendations shown in the report of examination and this letter will become final. In that event, you will be required to file Federal income tax returns for the tax period(s) shown above. File these returns with the Ogden Service Center within 60 days from the date of this letter, unless a request for an extension of time is granted. File returns for later tax years with the appropriate service center indicated in the instructions for those returns.

You have the right to contact the office of the Taxpayer Advocate. Taxpayer Advocate assistance is not a substitute for established IRS procedures, such as the formal appeals process. The Taxpayer Advocate cannot reverse a legally correct tax determination, or extend the time fixed by law that you have to file a petition in a United States court. The Taxpayer Advocate can, however, see that a tax matter that may not have been resolved through normal channels gets prompt and proper handling. You may call toll-free 1-877-777-4778 and ask for Taxpayer Advocate Assistance. If you prefer, you may contact your local Taxpayer Advocate at:



If you have any questions, please call the contact person at the telephone number shown in the heading of this letter. If you write, please provide a telephone number and the most convenient time to call if we need to contact you.

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Thank you for your cooperation.

Sincerely,



Betty A. McClellan
Acting Director, EO Examinations

Enclosures:
Publication 892
Publication 3498
Form 6018
Report of Examination
Envelope



TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

DEPARTMENT OF THE TREASURY
Internal Revenue Service

Taxpayer Identification Number:

Form:

990

Tax Year(s) Ended:

Person to Contact/ID Number:

Contact Numbers:

Telephone:

Fax:

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Dear Sir:

We have enclosed a copy of our report of examination explaining why we believe an adjustment of your organization's exempt status is necessary.

If you do not agree with our position you may appeal your case. The enclosed Publication 3498, *The Examination Process*, explains how to appeal an Internal Revenue Service (IRS) decision. Publication 3498 also includes information on your rights as a taxpayer and the IRS collection process.

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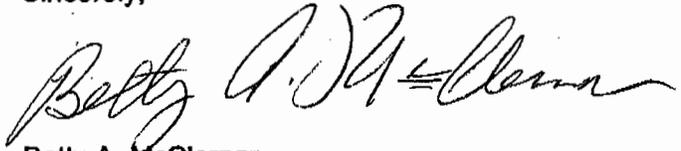
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If you have any questions, please call the contact person at the telephone number shown in the heading of this letter. If you write, please provide a telephone number and the most convenient time to call if we need to contact you.

Thank you for your cooperation.

Sincerely,

A handwritten signature in cursive script, reading "Betty A. McClernan".

Betty A. McClernan
Acting Director, EO Examinations

Enclosures:
Publication 892
Publication 3498
Form 6018
Report of Examination
Envelope

Form **886-A**
(Rev. January 1994)

EXPLANATIONS OF ITEMS

Schedule number or exhibit

Name of taxpayer

Tax Identification Number

Year/Period ended

Issue:

Whether the _____ should be revoked.

Facts:

The subject organization is a social club which operates a nine hole golf course bar, and restaurant. Members as well as non members utilize the facility. The organization has no records to substantiate no more than 15% of non member usage. as mandated by Rev. Proc 71-17

Law:

Section 501(c)(7) of the Code provides for exemption from Federal income tax for clubs organized for pleasure, recreation and other non-profitable purposes, substantially all of the activities of which are for such purposes and no part of the net earnings of which inures to the benefit of any private individual.

Rev. Proc 71-17 states that social clubs exempt under section 501(c)(7) are permitted to receive up to 35% of their gross receipts including investment income from non-member sources without losing their tax exempt status. Within this 35% amount, not more than 15% of the gross receipts are permitted from the use of the social club facilities by the general public.

Conclusion:

Since the organization cannot determine how much of their income is from the general public, their gross receipts is considered to be totally from the general public. The organization also does not want to keep records. Therefore, the exempt status is revoked as of

Taxpayers Position:

The organization agrees with the revocation and has signed Form 6018.