



DEPARTMENT OF THE TREASURY

Internal Revenue Service
TE/GE EO Examinations
1100 Commerce Street
Dallas, TX 75424

**TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION**

April 21, 2008

Number: **200833026**

Release Date: 8/15/2008

EO

LEGEND

ORG = Organization name XX = Date Address = address

UIL: 501.03-01

ORG

Person to Contact:

ADDRESS

Identification Number:

Contact Telephone Number:

In Reply Refer to: TE/GE Review Staff

EIN:

CERTIFIED MAIL – Return Receipt Requested

LAST DATE FOR FILING A PETITION
WITH THE TAX COURT: July 21, 20XX

Dear :

This is a final revocation letter as to your exempt status under section 501(c) (3) of the Internal Revenue Code. The Internal Revenue Service's recognition of your organization as an organization described in section 501(c) (3) is hereby revoked effective January 1, 20XX. You agreed to the change in the proposed action per signing of Form 6018 on January 28, 20XX.

We have made this determination for the following reasons:

You have not demonstrated that you are operated exclusively for charitable, educational, or other exempt purposes within the meaning of I.R.C. section 501(c) (3). Organizations described in I.R.C. section 501(c)(3) and exempt under section 501(a) must be organized and operated exclusively for an exempt purposes. You have provided no information regarding your receipts, expenditures or activities. You have not established that you have operated exclusively for an exempt purpose.

As such, you failed to meet the requirements of I.R.C. section 501(c)(3) and Treas. Reg. section 1.501(c)(3)-1(d) in that you failed to establish that you were operated exclusively for an exempt purpose.

Contributions to your organization are no longer deductible under section 170 of the Internal Revenue Code.

You are required to file Federal income tax returns on Form 1041. These returns should be filed with the appropriate Service Center for the year ending December 31, 20XX, and for all years thereafter.

Processing of income tax returns and assessment of any taxes due will not be delayed should a petition for declaratory judgment be filed under section 7428 of the Internal Revenue Code.

If you decide to contest this determination in court, you must initiate a suit for declaratory judgment in the United States Tax Court, the United States Claim Court or the District Court of the United States for the District of Columbia before the 91st day after the date this determination was mailed to you. Contact the clerk of the appropriate court for the rules for initiating suits for declaratory judgment.

You also have the right to contact the office of the Taxpayer Advocate. However, you should first contact the person whose name and telephone number are shown above since this person can access your tax information and can help you get answers.

You can call 1-877-777-4778 and ask for Taxpayer Advocate assistance. Or you can contact the Taxpayer Advocate from the site where the tax deficiency was determined by calling, Tel: (213)-576-3140, or write:

Taxpayer Advocate assistance cannot be used as a substitute for established IRS procedures, formal appeals processes, etc. The Taxpayer Advocate is not able to reverse legal or technically correct tax determinations, nor extend the time fixed by law that you have to file a petition in the United States Tax 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.

We will notify the appropriate State Officials of this action, as required by section 6104(c) of the Internal Revenue Code.

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

Sincerely yours,

Marsha A. Ramirez
Director, EO Examinations



TAX EXEMPT AND
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DIVISION

DEPARTMENT OF THE TREASURY
Internal Revenue Service

ORG
ADDRESS

Taxpayer Identification Number:

Form:

Tax Year(s) Ended:

Person to Contact/ID Number:

Contact Numbers:

Telephone:

Fax:

Certified Mail - Return Receipt Requested

Dear

We have enclosed a copy of our report of examination explaining why we believe revocation of your exempt status under section 501(c)(3) of the Internal Revenue Code (Code) is necessary.

If you accept our findings, take no further action. We will issue a final revocation letter.

If you do not agree with our proposed revocation, you must submit to us a written request for Appeals Office consideration within 30 days from the date of this letter to protest our decision. Your protest should include a statement of the facts, the applicable law, and arguments in support of your position.

An Appeals officer will review your case. The Appeals office is independent of the Director, EO Examinations. The Appeals Office resolves most disputes informally and promptly. The enclosed Publication 3498, *The Examination Process*, and Publication 892, *Exempt Organizations Appeal Procedures for Unagreed Issues*, explain 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.

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

If we do not hear from you within 30 days from the date of this letter, we will process your case based on the recommendations shown in the report of examination. If you do not protest this proposed determination within 30 days from the date of this letter, the IRS will consider it to be a failure to exhaust your available administrative remedies. Section 7428(b)(2) of the Code provides, in part: "A declaratory judgment or decree under this section shall not be issued in any proceeding unless the Tax Court, the Claims Court, or the District Court of the United States for the District of Columbia determines that the organization involved has exhausted its administrative remedies within the Internal Revenue Service." We will then issue a final revocation letter. We will also notify the appropriate state officials of the revocation in accordance with section 6104(c) of the Code.

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.

Thank you for your cooperation.

Sincerely,

Lois G. Lerner
Director, Exempt Examinations

Enclosures:
Publication 892
Publication 3498
Report of Examination

Form 886A	Department of the Treasury - Internal Revenue Service Explanation of Items	Schedule No. or Exhibit
Name of Taxpayer ORG		Year/Period Ended 12/31/20XX

LEGEND

ORG = Organization name XX = Date Address = address President = President

Issue:

Whether ORG (hereinafter referred to as "ORG"), an exempt organization continues to qualifies for exemption under Section 501(c)(3) of the Internal Revenue Code.

FACTS:

The ORG was incorporated on September 19, 20XX in the state of . Article IV of their Articles state "The corporation's initial purpose is to distribute money to various charities."

According to its Form 1023, Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code, dated 11/21/20XX, "The organization has received a contribution of \$ from President...."

In a letter dated 03/18/20XX the organization was granted ex Whether ORG (hereinafter referred to as "ORG"), an exempt organization continues to qualifies for exemption under Section 501(c)(3) of the Internal Revenue Code. It was further determined that the organization was a private ORG within the meaning of §509(a) of the Internal Revenue Code.

The Service's records indicate that the ORG has never filed a Form 990-PF, Return of Private ORG.

According to the information submitted the ORG has been inactive for several years and no operations or financial activities have been conducted.

LAW:

Section 6033(c) of the Internal Revenue Code requires an annual return on Form 990-PF, Return of Private ORG, by all organizations (including foreign organizations) which have private ORG status under §509(a) of the Internal Revenue Code.

The Form 990-PF must be filed by the 15th day of the fifth month after the end of your annual accounting period.

Section 6652(c)(1)(A) of the Internal Revenue Code imposes a penalty on exempt organizations required to file returns under §6033(a)(1) of \$ for each day, during which a failure to file continues of for a failure to include any of the information required to be shown on a return filed under §6033(a)(1) or to show the correct information. The penalty is not to exceed \$ or 5 percent of the gross receipts of the organization for the year, whichever is less.

In addition, §6652(c)(1)(B) requires organization manager (s) to file returns required under section 6033 after the Secretary has made demand for filing under that provision. A penalty of \$ is charged

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for each day after the expiration of the time specified in the written demand during which such failure continues. The maximum penalty imposed under this section on all persons for failure to file any one return is limited to \$.

Section 501(c)(3) of the Internal Revenue Code provides for tax exemption of organizations organized and operated exclusively for charitable purposes and no part of the net earning which inures to the benefit of any individual.

Section 1.501(c)(3)-1(a)(1) of the Income Tax Regulations, Organizational and operational tests, 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 of 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(a)(1) of the Income Tax 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 of 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.

TAXPAYER'S POSITION:

At the issuance of this letter the ORG's position was not know.

GONVERNMENTS POSITION:

It is the Service's position that the ORG failed to meet the reporting requirements under §6001 and §6033 of the Internal Revenue Code to be recognized as exempt from federal income tax under §501(c)(3) of the Internal Revenue Code.

In addition, since the ORG is not carrying on any exempt activities, they fail to meet he operational requirements for continued exemption under §501(c)(3) of the Internal Revenue Code.

Accordingly, the organization's exempt status should be revoked effective January 1, 20XX.

As a taxable entity the ORG will be required to file Form 1120 tax returns. The ORG is liable for file Form 1120 for all tax periods ending on or after December 31, 20XX