

Internal Revenue Service
Director, Exempt Organizations

Department of the Treasury
P.O. Box 2508 - EP/EO
Cincinnati, OH 45201

Date: JUL 26 2001

Employer Identification Number:
[REDACTED]

Person to Contact - I.D. Number:
[REDACTED] - [REDACTED]

Contact Telephone Numbers:
[REDACTED] Phone
[REDACTED] FAX

Dear Sir or Madam:

We have considered your application for recognition of exemption from Federal income tax under the provisions of section 501(c)(3) of the Internal Revenue Code of 1986 and its applicable Income Tax Regulations. Based on the available information we have determined that you do not qualify for the reasons set forth in Enclosure I.

Consideration was given to whether you qualify for exemption under other subsections of section 501(c) of the Code. However, we have concluded that you do not qualify under another subsection.

As your organization has not established exemption from Federal income tax, it will be necessary for you to file an annual income tax return on Form 1041 if you are a Trust, or Form 1120 if you are a corporation or an unincorporated association. Contributions to you are not deductible under section 170 of the Code.

If you are in agreement with our proposed denial, please sign and return one copy of the enclosed Form 6018, Consent to Proposed Adverse Action.

You have the right to protest this proposed determination if you believe it is incorrect. To protest, you should submit a written appeal giving the facts, law and other information to support your position as explained in the enclosed Publication 892, "Exempt Organizations Appeal Procedures for Unagreed Issues." The appeal must be submitted within 30 days from the date of this letter and must be signed by one of your principal officers. You may request a hearing with a member of the office of the Regional Director of Appeals when you file your appeal. If a hearing is requested, you will be contacted to arrange a date for it. The hearing may be held at the Regional Office or, if you request, at any mutually convenient District Office. If you are to be represented by someone who is not one of your principal officers, he or she must file a proper power of attorney and otherwise qualify under our Conference and Practice Requirements as set forth in Section 601.502 of the Statement of Procedural Rules. See Treasury Department Circular No. 230.

[REDACTED]

If you do not protest this proposed determination 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 Internal Revenue Code provides, in part, that:

A declarator, 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 administrative remedies available to it within the Internal Revenue Service.

If we do not hear from you within the time specified, this will become our final determination. In that event, appropriate State officials will be notified of this action in accordance with the provisions of section 6104(c) of the Code.

Sincerely,

Steven Miller

Director, Exempt Organizations

Enclosures: 3

ADDENDUM I

Information submitted with the application indicates the organization filed a [REDACTED] in [REDACTED], [REDACTED] on [REDACTED]. The certificate indicates the organization is a proprietorship named [REDACTED] (sic) and [REDACTED] whose owner is [REDACTED]. No other owner is listed.

On page 2 of the Form 1023 that was submitted the organization stated it is organized "To provide housing and to reability (sic) the homeless back to society (reeducate the homeless back to society)" The application further stated, "Where in America and by [REDACTED]."

In a letter received [REDACTED] the organization stated there were no past activities and no present activities. The letter indicated that future activities would be to plan pie festival. The letter further indicated the organization had not finished planning a thrift store.

In a letter received [REDACTED] the organization indicated it has not conducted any activities yet and has not found a location.

In a letter received [REDACTED] the organization stated,

"have not conducted any activities yet all activities that will be held all fund will go to stop [REDACTED] and help the less fortunates to rehabilitation and beatification their homes in the community time devote 6 month serves made available to the homeless & less fortunats (sic)"

No other details of operations and activities were submitted by the organization.

The organization indicated on page 2 it would be supported by grants and fundraising activities. Projected budgets that were submitted by the organization included no revenues from any source.

The only expenses submitted by the organization were \$ [REDACTED] a month for occupancy. No other expenses were included or described.

Section 501(c)(3) of the Internal Revenue Code provides for the exemption from Federal income tax for "Corporations, and any community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary or educational purposes...no part of the net earnings of which inures to the benefit of any private shareholder or individual..."

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[REDACTED]
[REDACTED]

Section 1.501(c)(3)-1(a)(1) of the Income Tax Regulations states, "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 or operational test, it is not exempt."

Section 1.501(c)(3)-1(b)(1)(v) of the Income Tax Regulations states, "An organization must in order to establish its exemption submit a detailed statement of its proposed activities with and as part of its application for exemption."

Section 501(c)(3) of the Code provides for exemption from federal income tax for corporations, associations and trusts. As indicated by the document submitted, Universe Hungry and Homeless Society is an unincorporated business classified as a proprietorship. Therefore, it is not a corporation, association. As such it does not meet the requirements of section 501(c)(3).

[REDACTED] has not submitted a detailed statement of its proposed activities, funding or expenses. Therefore, it has not met the requirements of section 1.501(c)(3)-1(b)(1)(v) of the Income Tax Regulations.

Based on the information submitted as part of the organization's application, [REDACTED] is a sole proprietorship. Additionally, it has not submitted sufficiently detailed information to meet the requirements of 1.501(c)(3)-1(b)(1)(v) in order to demonstrate it has operations that are exclusively charitable.

Therefore, [REDACTED] is not organized and operated exclusively for exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code.

Accordingly, we conclude that [REDACTED] does not qualify for exemption under section 501(c)(3) of the Code.