

Internal Revenue Service

Department of the Treasury

Washington, DC 20224

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Person to Contact:

Date: Nov. 21 1996

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11/22/96*



E.I.N.: [REDACTED]
Key District: Western (Los Angeles, CA)

Dear Applicant:

We have considered your application for recognition of exemption from federal income tax under section 501(c)(3) of the Internal Revenue Code. Based on the information submitted, we have concluded that you do not qualify for exemption under that section.

You originally filed for tax exemption as a church. In the most recent correspondence, you indicated that exemption as a religious organization other than a church would be acceptable.

With your original application, you indicated that you were a church. The purpose of the organization as stated in the application for exemption is to celebrate inner divine love and peace in a congregation setting of Sunday services, prayer and meditation. Also, the church was founded to conduct congregational meetings for individuals in worship of God and Jesus Christ. Further, the organization was to have prayer and meditation congregational meetings every Wednesday.

The Sunday services and prayer and meditation services were held primarily at the [REDACTED] which is a nonprofit organization exempt under section 501(c)(3) of the Code. The more recent letters from you provide that your congregation consists of [REDACTED] persons. The letter dated [REDACTED] indicates that there are no Sunday worship services "right now." You do hope to restart Sunday worship in the Fall. That same letter now indicates that prayer gatherings are held on Friday rather than Wednesday and has consisted of two to four persons. The same letter states that there are currently [REDACTED] members of your congregation. You have no requirements for membership in your church. You responded to our question regarding the tenets of faith of your church by listing what appears to be the daily spiritual rituals of Rev. [REDACTED]. However, in an earlier response, you had indicated that the Church has some traditional Christian tenets including the scriptures of the New Testament. Further, the earlier response

stated that you follow the traditional Christian calendar, but only Christmas and Easter are specifically mentioned.

The most recent two letters from your organization suggest directly or indirectly that the focus of the ministry of your organization is healing and inspiring people, in the context of a one-to-one basis. Answer 15 to the [redacted] letter states this explicitly. Answer 16 to the same letter states (in reference to members of the church): "I believe in helping learn to heal. So, I encourage them to be independent of my organization once they are ready to move on."

Further indication of the healing aspect of the ministry is suggested by a number of answers throughout the letters submitted with the application. The brochure submitted with the [redacted] is revealing in mentioning the healing aspects of the organization which, by the way, never identifies the organization as a church. The brochure states as follows: "Learn about new Christ vibrational healing technologies and healing energies here to assist humanity on its path toward ascension. Specific topics to be covered: alien abduction, emotional/mental/physical abuse, depression, spiritual road blocks, negative inferences."

In the letter of [redacted], the focus of the organization is placed on healing at an individual level. Answer 6 describes the person being healed as a "client" rather than a "member, congregation, or church." Answer 6 also describes in some specificity the steps undertaken to heal the "client." The same letter also states that currently you are not doing any healing work with others. Nor is there any mention of any other activities being carried out on behalf of the organization such as Sunday worship or evening prayer meetings. It would appear that the organization is without any activity as of the most recent letter.

Section 501(a) provides an exemption from taxation for organizations described in section 501(c)(3) of the Code. Section 501(c)(3) describes organizations organized and operated exclusively for "religious, charitable . . . or educational . . . purposes."

An organization is not operated exclusively for an exempt purpose if more than an insubstantial part of its activities are in furtherance of a nonexempt purpose. Better Business Bureau v. United States, 326 U.S. 279, 283 (1945).

We have not been able to make a determination of exempt status of your organization based on the information submitted to

[REDACTED]

us. The information submitted to our office is insufficient to make a reasonable determination of the issues raised in your application. The information submitted is, on different occasions, insufficient, incomplete, inconsistent, and contradictory. Taken as a whole, the information provided in your application is inadequate considering the difficult issues raised in your application. Accordingly, it is our determination that your organization fails to qualify for exemption because you have failed to carry the burden of proof of establishing that the operations of your organization will be exclusively in furtherance of exempt purposes.

It is well established that the law imposes on the applicant the burden of proving that it is entitled to exemption. See Basic Bible Church v. Commissioner, 74 T.C. 846 (1980); Universal Life Church, Inc. v. United States, 372 F. Supp. 770, 775 (E.D. Ca. 1974). The applicant must provide sufficient information to allow the Internal Revenue Service to rule favorably. The Church In Boston v. Commissioner, 71 T.C. 102 (1978). The Court has been persuaded to rule unfavorably where the nature of the proposed activities is especially ambiguous. Levy Tribe Foundation, Inc. v. Commissioner, 69 T.C. 615 (1978). Only vague generalizations of the nature of operations or the failure to describe fund raising activities may contribute to an applicant's failure to carry its burden of proof. Pius XII Academy, Inc., P82,097, P-H Memo TC (1982). Where answers to Internal Revenue Service inquiries are vague or incomplete or inconsistent with prior answers or information, the applicant may fail to carry its burden of proof. Universal Bible Church, Inc., P86,170 P-H Memo TC (1986).

In addition to the failure to carry the burden of proof, it also appears, based on the information provided to our office, that your organization is not currently carrying on any activities of any kind. If the organization's activity is spiritual healing, this activity is not being carried out at the present. If your organization's activity is of a religious nature, we understand that the Sunday services are not currently being held. Assuming that some or all of such activities will be resumed at some point in the future, the very fact that the activities are sporadic or lacking in participants calls into question the substance or weight of the organization's purpose. Accordingly, even if we were to fully comprehend the organization's purposes and activities, the inconsequential or sporadic nature of those activities would cause us to question the seriousness of the organization's program.

[REDACTED]

In conclusion, after many development letters from our office in an effort to elicit a coherent understanding of the operation and activities of your organization, we fail to understand what, if anything of a charitable or religious nature, is being carried on by your organization. Accordingly, we have determined that you have failed to establish that your organization will operate in furtherance of an exempt purpose.

Since you do not meet the "operational test" requirements of the Code, you do not qualify for recognition of exemption from income tax under section 501(c)(3) of the Code.

Contributions to you are not deductible under section 170 of the Code.

You are required to file federal income tax returns.

You have the right to protest this ruling if you believe that it is incorrect. To protest, you should submit a statement of your views, with a full explanation of your reasoning. This statement must be submitted within 30 days of the date of this letter and must be signed by one of your officers. You also have a right to a conference in this office after your statement is submitted. If you want a conference, you must request it when you file your protest statement. If you are to be represented by someone who is not one of your officers, he/she must file a proper power of attorney and otherwise qualify under our Conference and Practice Requirements. If you decide to protest this letter, please include with such protest a signed copy of your letter dated [REDACTED].

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 United States Tax Court, the U.S. Court of Federal 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.

If we do not hear from you within 30 days, this ruling will become final and copies will be forwarded to your key District Director. Thereafter, any questions about your federal income tax status should be addressed to that office. The appropriate State

Yellow

[Redacted]

officials will be notified of this action in accordance with section 6104(c) of the Code.

Sincerely yours,

[Redacted]

Chief, Exempt Organizations
Rulings Branch 3

	Initiator	Reviewer	Reviewer	Reviewer	Reviewer	Reviewer	Reviewer
Code	CP:E:EO:T:3	CP:E:EO:R:3					
Surname	[Redacted]	[Redacted]	[Redacted]				
Date	10/10/96	10/20/96					

[REDACTED]

cc: Government officials of the State of [REDACTED]

cc: Key District: Western (Los Angeles, CA)
Attn: EO Group