

Internal Revenue Service

Department of the Treasury

District  
Director

C-9076  
P.O. Box 1286, GPO Brooklyn, N.Y. 11202

Date: APR 04 1966

Employer Identification Number:  
[REDACTED]

Person to Contact  
[REDACTED]

Contact Telephone Number:  
[REDACTED]

Refer Reply to:  
[REDACTED]

CERTIFIED MAIL

Dear Applicant:

We have considered your application for tax exempt status under section 501(c)(4) of the Internal Revenue Code of 1954.

The evidence presented indicates that you were formed on [REDACTED], [REDACTED], as an Unincorporated Association in the State of [REDACTED].

The purposes of your organization, as stated in your By-Laws are:

"The primary purpose of the Association shall be to inform and assist members in matters dealing with legal issues, and the protection of their legal rights as tenants residing in the building called [REDACTED]. Legal advice pertinent to the Association, and the protection of tenant rights, shall be rendered by an attorney duly approved by a majority vote of the membership."

Your By-Laws also state that "membership shall be limited to those tenants of [REDACTED] who pay the membership dues." It is also stated that "attendance at Association meetings, legal advice and protection provided by the Association's attorney and receipt of the Association's newsletter are privileges reserved for members of the Association."

The main activities of the organization, as stated in your application and your reply to our request for additional information, has been and continues to be the retaining of an attorney versed in tenant related business with coops, for any litigation that may arise between tenants and landlords; and a newsletter issued to members (tenants) and the coop owners board. You state in your reply to our request for additional information that "the services of the organization are limited to residents of the [REDACTED] and meetings are not open to the general public".

Section 501(c)(4) of the Code provides for the exemption from Federal income tax of civic leagues or organizations not organized for profit but operated exclusively for the promotion of social welfare.

Section 501(c)(4)-1(a)(2) of the Income tax Regulations states that an organization is operated exclusively for the promotion of social welfare if it is primarily engaged in promoting in some way the common good and general welfare of the people of the community.

Revenue Ruling 73-306, 1973-20. B. 179 held, a nonprofit organization formed to represent member-tenants of an apartment complex in negotiations with landlords, in litigation, and before local and Federal agencies with respect to matters of mutual concern to the tenants does not qualify for exemption under section 501(c)(4) of the Code.

Your organization's activities are similar to the instant organization in Revenue Ruling 73-306. You are operated for the private benefit of your members. Thus, you are not primarily engaged in activities for the common good and general welfare of the people of the community.

Accordingly, we conclude you are not organized and operated for the purposes described in section 501(c)(4) of the Code. Therefore, we conclude you are not exempt from Federal income tax under section 501(c)(4), or any other section of the Internal Revenue Code of 1954.

You are required to file a taxable return Form 1120 or 1041 with the District Director of Internal Revenue Service. Please send the return to the Internal Revenue Service, P.O. Box 1680, General Post Office, Brooklyn, NY 11202.

If you do not agree with this determination, you may request a Conference with the Regional Director of Appeals by protesting in accordance with the enclosed instructions within 30 days.

Protests submitted which do not contain all the documentation stated in the instructions will be returned for completions.

If we do not hear from you within that time, this determination will become final.

Sincerely yours,



District Director

Enclosure: Publication 892