

Internal Revenue Service
District Director

Department of the Treasury

Post Office Box 1680, GPO
Brooklyn, NY 11202

Date:

Person to Contact:

Contact Telephone Number:

Refer Reply to:

CERTIFIED MAIL

Dear Applicant:

We have considered your application for recognition of exemption under section 501(c)(6) of the Internal Revenue Code.

Your application Form 1024 indicates that your organization was created as an unincorporated association in [REDACTED]. However, you have failed to submit a constitution, articles of association, or any other organizing instrument signed by two individuals and showing the date it was adopted.

The application states that your organization exists solely for the purpose of maintaining the grounds and exterior of the complex in which its members are located.

Membership consists of all owners of condominium units within the [REDACTED] who are as a condition of their condominium ownership, members of the association.

Common charges are collected from all members. This money is used to pay for landscaping, snowplowing, water testing, and other commonly used services.

Section 501(c)(6) of the Code provides for the exemption from Federal income tax of business leagues not organized for profit, no part of the net earnings of which inures to the benefit of any private shareholder or individual.

Section 1.501(c)(6)-1 of the Income Tax Regulations defines a business league as an association of persons having some common business interest, the purpose of which is to promote such common interest. Its activities should be directed towards the improvement of business conditions in one or more lines of business as distinguished from the performance of particular services for individual persons.

An IRC 501(c)(6) organization's primary activity cannot be performing particular services for members.

In Revenue Ruling 73-411, 73-2 C.B. 180, it is held that a shopping center merchant's association whose membership is restricted to and required of the tenants of a one owner shopping center and whose activities are directed to promoting the general business interests of its members does not qualify as a business league or chamber of commerce under section 501(c)(6) of the code.

Your organization has failed to submit a complete application because you did not include a valid organizational document and conformed copy of the Bylaws in your 1024 submission. Therefore, your organization is found not to be organized for exempt purposes within the scope of 501(c)(6) or any other section of the Code.

Your organization's activities are not directed towards the improvement of business conditions of one or more lines of business or business conditions of any community as a whole. Your organization serves the business interests of the members of the association.

Accordingly, we conclude that you do not meet the requirements for exempt status under section 501(c)(6) of the Code and propose to deny your request for exemption under that section.

We have also determined that you fail to qualify for exempt status under any other subsection of IRC 501(c).


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 completion.

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

Sincerely yours,



District Director