

INTERNAL REVENUE SERVICE

Department of the Treasury

District  
Director



Person to Contact: [REDACTED]  
Telephone Number: [REDACTED]  
Refer Reply to:



**CERTIFIED**

9864 119 384

Date: SEP 25 1992

Dear Applicant:

We have considered your application for recognition of exemption from Federal Income Tax under Section 501(c)(6) of the Internal Revenue Code.

The information submitted discloses that you were incorporated on [REDACTED], under the nonprofit corporation laws of the State of [REDACTED].

According to your Articles of Incorporation, your purpose is to establish an association of airline companies to promote business conditions as a whole for international air carriers at [REDACTED] in [REDACTED].

In order to serve the common interest of your members and to improve the business conditions for all users of a new international terminal, you will conduct activities during the planning, construction, and operation of the new terminal.

During the planning and construction of the new terminal, you will supervise and administer the specification, design, procurement and installation of the [REDACTED]. The [REDACTED] includes the new international terminal and its related facilities at [REDACTED].

After the construction of the new terminal is complete, you will operate the [REDACTED] and portions of the new terminal include the operation and maintenance of the [REDACTED] scheduling and assignments of common use terminal gates, the escalators, operations and maintenance expenses.

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[REDACTED]

Your membership consist of airlines that are authorized to operate at [REDACTED] and your source of financial support will be generated from fees charged to members for use of the facility and equipment.

Section 501(c)(6) of the Internal Revenue Code provides for exemption of "business leagues, chambers of commerce, real estate boards, boards of trade, or professional football leagues (whether or not administering a pension fund for football players), not organized for profit and not part of the net earnings of which inures to the benefit of any private shareholder or individual."

Section 1.501(c)(6)-1 of Income Tax Regulations reads as follows:

"BUSINESS LEAGUES, CHAMBERS OF COMMERCE, REAL ESTATE BOARDS AND BOARDS OF TRADE. A business league is an association of persons having some common business interest, the purpose of which is to promote such common interest and not to engage in a regular business of a kind ordinarily carried on for profit. It is an organization of the same general class as a chamber of commerce or board of trade. Thus, its activities should be directed to the improvement of business conditions of one or more lines of business as distinguished from the performance of particular services for individual persons. An organization whose purpose is to engage in regular business of a kind ordinarily carried on for profit, even though the business is conducted on a cooperative basis or produces only sufficient income to be self-sustaining, is not a business league. An association engaged in furnishing information to prospective investors, to enable them to make sound investments, is not a business league, since its activities do not further any common business interest, even though all of its income is devoted to the purpose stated. A stock or commodity exchange is not a business league, a chamber of commerce, or a board of trade within the meaning of Section 501(c)(6) and is not exempt from tax. Organizations otherwise exempt from tax under this section are taxable upon their unrelated business taxable income. See sections 511 to 515, inclusive and the regulations thereunder".

Revenue Ruling 56-55, 1965-1 C.B. 199, states that an organization whose principal activity consists of furnishing specialized individual service to its individual members engaged in a particular industry to effect economics in the operation of their individual businesses is performing particular services for individual persons. Such organization, therefore is not entitled to exemption under Section 501(c)(6) of the Code as a business league even though it performs functions which are of benefit to the particular industry and the public in general.

Revenue Ruling 78-70, 1978-1 C.B. 159, states that if the principal activity of the organization is to provide particular services to individuals and to engage in business of a kind ordinarily carried on for profit, such activity does not further exempt purposes within the meaning of Section 501(c)(6) of the Code.

You do not qualify for exempt status under Section 501(c)(6) because your activities inure to the benefit of your members to improve their economic status.

We have concluded that you do not qualify for exemption from Federal Income Tax as an organization described in Section 501(c)(6) of the Internal Revenue Code. Accordingly, you are required to file Federal income tax returns on Form 1120, annually with your District Director.

If you do not agree with these conclusions, you may within thirty days from the date of this letter, file a brief of the facts, law and arguments (in duplicate) which clearly sets forth your position. In the event you desire an oral discussion of the issues, you should so indicate in your submission. A conference will be arranged in the Regional office after you have submitted your brief to the Chicago District Office and we have had an opportunity to consider the brief and it appears that the conclusions reached are still unfavorable to you. Any submission must be signed by one of your principal officers. If the matter is to be handled by a representative, the Conference and Practice Requirements regarding the filing of a power of attorney and evidence of enrollment to practice must be met. We have enclosed Publication 892, Exempt Organization Appeal Procedures for Adverse Determinations, which explains in detail your rights and procedures.

Please keep this determination letter in your permanent records.

[REDACTED]

If you agree with this determination, please sign and return the enclosed Form 6018.

If we do not hear from you within 30 days from the date of this letter, this determination will become final.

Sincerely yours,

[REDACTED]

District Director

Enclosures:  
Publication 892  
Form 6018