

Internal Revenue Service

Department of the Treasury

District
Director

[REDACTED]

[REDACTED]

Person to Contact: [REDACTED]

Telephone Number: [REDACTED]

Refer Reply to: [REDACTED]

Date: AUG 1991

• 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.

Information shows that you were incorporated on [REDACTED] under the General Not For Profit Corporation Act of [REDACTED]. Your purposes as stated in your charter are to conduct bible classes and religious training.

The activities are holding bible classes every Monday at the [REDACTED] in [REDACTED], at which approximately [REDACTED] people attend.

The class uses the tapes from the private library of [REDACTED]. This material is leased on a donation basis at the request of the lessor, [REDACTED]. At each class session a plate is passed and this is the donation given to [REDACTED].

During the period beginning [REDACTED], and ending [REDACTED], contributions made to the organization totaled \$[REDACTED]. Of this amount \$[REDACTED] was donated to [REDACTED] for use of these tapes and her time to research additional materials.

Section 501(c)(3) of the Code provides in part, for the exemption of corporations that are organized and operated exclusively for religious, charitable, literary, scientific, and educational purposes, no part of the net earnings of which inures to any private shareholder or individual. . .

Section 1.501(c)(3)-1(b)(4) of the regulations provides that an organization is not organized exclusively for one or more purposes, unless its assets, upon dissolution, are dedicated to 501(c)(3) purposes.

Since your creating instrument does not provide for the distribution of

assets to 501(c)(3) organization upon dissolution you are not organized exclusively for 501(c)(3) purposes.

In order to comply with the requirements of the organizational test the organization's purposes as set forth in its creating documents cannot be broader than the purposes set forth in section 501(c)(3) of the Code. Since your purposes are "not exclusively" limited to these purposes as contemplated by section 501(c)(3) of the Code, you fail to meet the organizational test.

Section 1.501(c)(3)-1(d)(1)(ii) of the Income Tax Regulations provides that an organization is not organized or operated exclusively for one or more exempt purposes unless it services a public rather than a private interest.

Section 1.501(c)(3)-1(c)(2) of the Income Tax Regulations provides that an organization is not operated exclusively for one or more exempt purposes if its net earnings inure in whole or in part to the benefit of private shareholder or individuals.

Based on the information furnished the organization does not qualify for 501(c)(3) since the income of the organization is inuring to [REDACTED] and the organization fails to meet the organizational test.

Therefore, you are required to file Form 1120.

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.

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 declaratory judgement or decree under this section shall not be issued in any proceeding unless the Tax Court, the court of 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.

Please keep this determination letter in your permanent records.

Sincerely yours,

A solid black rectangular redaction box covering the signature of the District Director.

District Director

Enclosures
Publication 892
Form 6018