

Internal Revenue Service
District Director

Department of the Treasury

P. O. BOX 4-3290 DPN 22-2
CHICAGO, IL 60690

Date:

Employer Identification Number: _____

Contact Person: _____

Contact Telephone Number: _____

Our Letter Dated:
April 8, 1988

Form:
1023

Tax Years:
All years

Dear Applicant

On the above date we wrote you about your Form 1023, Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code. In that letter we explained why it appeared that you filed your application for tax-exempt status under the wrong Code section. We suggested that you send us a new application under Code section 501(c)(4). To date we have not received the new application or a reply.

We have therefore considered your initial application and propose to deny your request for tax-exempt status as an organization described in Code section 501(c)(3). The enclosed Form 3265, Statement of Proposed Adverse Determination, contains the applicable facts, law, and argument for our determination. Under Code section 6104(c), we will notify the appropriate State officials of this action.

Contributions to your organization are not deductible under Code section 170.

The enclosed Publication 392, Exempt Organization Appeal Procedure for Unagreed Issues, explains your appeal rights. Unless we hear from you within 30 days from this date, this letter will be our final determination.

Section 7428 of the Code provides for bringing a suit for a declaratory judgment in the United States Tax Court, the United States Court of Claims, or the district court of the United States for the District of Columbia with respect to this determination. However, 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 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

Letter 1316(DO/CG)

s/a/ger

within the Internal Revenue Service."


If you do not exercise your appeal rights, the Internal Revenue Service will consider it as failure to exhaust administrative remedies available to you within the Service. Therefore, you may lose your rights to a declaratory judgment under Code section 7428.

You are required to file Federal income tax returns on the form and for the years indicated in the heading of this letter. File these returns with your key District Director for exempt organization matters within 60 days from the date of this letter, unless a request for an extension of time is granted. We will not delay processing of income tax returns and assessment of any taxes due because of your bringing suit for declaratory judgment under Code section 7428. File returns for later tax years with the appropriate service center indicated in the instructions for those returns.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Thank you for your cooperation.

Sincerely yours,


District Director

Enclosures:
Form 6265
Publication 892

Form 6265
(September 1979)

Department of the Treasury - Internal Revenue Service
Statement of Proposed Adverse Determination

Name and Address of Organization



Date

May 31, 1988
Date Annual Accounting Period Ends

Date Incorporated or Formed

Application Form Number

1023

Internal Revenue Code Section

501(c)(3)

Employer Identification Number

Purpose of Organization

The purpose of this organization is to organize and present a marching band and float parade on or about [REDACTED] each year in the city of [REDACTED]. The organization was formed to promote social welfare through enhancement of goodwill among members of the community, as well as increasing ethnic awareness of the [REDACTED] community.

Activities of Organization

The activities are to hold an annual parade on or near [REDACTED]. Competitions are held and awards are given for the best marching band and float.

Fact, Law, and Argument

We have considered your application for recognition of exemption from Federal Income Tax under Section 501(c)(3) of the Internal Revenue Code.

Internal Revenue Code Section 501(c)(3) provides for the exemption from Federal Income Tax of corporations organized and operated exclusively for religious, charitable, literary, scientific and educational purposes.

Regulation 1.501(c)(3)-1(d)(3) defines educational as the instruction or training of the individual for the purpose of improving or developing his capabilities and the instruction of the public on subjects useful to the individual and beneficial to the community.

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

Based on the information you submitted, your organizational purpose is to organize a parade, present awards and promote social welfare which is not a religious, charitable, literary, scientific, or educational purpose within the meaning of Internal Revenue Code 501(c)(3). However, you may qualify for exemption under IRC 501(c)(4).

(If more space is needed, attach an additional sheet.)