

Internal Revenue Service

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Department of the Treasury
P.O. Box 260, Newark, N. J. 07101

District
Director

Person to Contact:

Telephone Number:

Refer Reply to:

P.O. Box 13163, Rm. 643,
Date: Baltimore, MD 21203

FEB 20 1986

Gentlemen:

We have considered your application for exemption from Federal income tax under the provisions of section 501(a) and as an organization described in section 501(c)(3) of the Internal Revenue Code.

Section 501(c)(3) of the Code exempts organizations "...organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary, or educational purposes, ...no part of the net earnings of which inures to the benefit of any private shareholder or individual..."

In order to qualify under IRC 501(c)(3), an organization must be both organized and operated exclusively for one or more purposes specified in that section. If the organization fails to meet either the organizational test or the operational test, it is not exempt.

Revenue Ruling 80-301 indicates that a genealogical organization that provides instruction in genealogical research techniques to its members and to the general public but does not research genealogies for specific persons can qualify for exemption under section 501(c)(3) providing these research techniques and findings are distributed to libraries, museums, community displays, etc.

In your case, your organization will perform specific genealogical research on specific families and will be distributing these research findings to these same families. This is an indication that the private interests of these individuals are being furthered rather than exclusively providing educational instruction and research techniques to the general public.

In addition your organization does not meet the organizational test. Your Certificate of Incorporation does not contain a proper dissolution clause nor are the purposes properly limited to 501(c)(3) of the Code.

Accordingly, it is held that you are not exempt under 501(c)(3) nor any other paragraph of section 501(c) of the Internal Revenue Code.


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 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 within the Internal Revenue Service." In that event, we will notify the appropriate State officials, as required by section 6104(c) of the Code, that based on the information we have available, we are unable to recognize you as an organization described in Code section 501(c)(3).

Publication 892, which accompanies this letter, describes your appeal rights fully should you decide to appeal this determination.

If we do not hear from you within thirty days, this will become our final determination on the matter.

You are required to file Federal income tax returns on Form 1120 (or other appropriate form) within two and one-half months following the end of your annual accounting period.

Sincerely yours,


District Director

Enclosure:
Publication 892