

Internal Revenue Service


District
Director




Department of the Treasury

Post office Box 260,
Newark, New Jersey 07101

Person to Contact:


Telephone Number:

Refer Reply to:



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

FEB 25 1987

• 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)(7) of the Internal Revenue Code.

Section 501(c)(7) of the Code exempts organizations organized and operated substantially for pleasure, recreation, and other non-profitable purposes, no part of the net earnings of which inures to the benefit of any private shareholder.

In your organization's case you are a corporation whose activities are to represent the interests of members and to act on matters pertaining to improving and increasing services for them. These services include providing for the maintenance, conservation and control of common areas, facilities and roads, together with the exterior of all homes within the . These services are services which would ordinarily be provided by the members themselves as a personal expense. This indicates that your organization is not operated substantially for pleasure or recreation under Section 501(c)(7).

We have also considered your application under Section 501(c)(4) but since your primary activity is providing services for your members, your organization is not operated exclusively for the promotion of social welfare.

Revenue Ruling 74-17 held that an association formed by unit owners of a condominium housing project which was operated to provide for the management, maintenance, and care of the common areas of the project did not qualify for exemption because this constitutes the provision of private benefits for the unit owners.


4/21/87

In addition, you failed to submit a copy of your Certificate of Incorporation which bears the files and recorded stamp of the Secretary of State.

Accordingly, it is held that you are not exempt from Federal income tax under any section of 501(c) of the Code.

Publication 892 accompanies this letter and 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 in the matter.

You are required to file Federal income tax returns on Form 1120 (or other appropriate form) within 2 1/2 months following the end of your annual accounting period.

Sincerely yours,


District Director

Enclosure:
Publication 892