

**Internal Revenue Service
District Director**

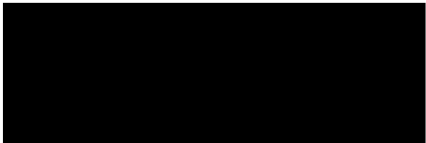
Department of the Treasury

Date: JAN 29 1985

Our Letter Dated:
November 27, 1984

Form:
1120

Tax Years:



Person to Contact:
[Redacted]

Contact Telephone Number:
[Redacted]

On the above date we wrote you about your Form 1024, Application for Recognition of Exemption Under Section 501(a) 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)(3). However, to date we have not received the new application or a reply.

We considered your initial application and must propose an adverse determination on your application for tax-exempt status as an organization described in Code section 501(c)(7). The enclosed Form 6265, Statement of Proposed Adverse Determination, gives the applicable facts, law, and argument for our determination.

The enclosed Publication 892, Exempt Organization Appeal Procedures 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.

In that event, you will be required to file Federal income tax returns on the form and for the years shown above. 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. 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,

[Redacted]
District Director

Enclosures:
Form 6265
Publication 892

Name and Address of Organization



Date

JAN 29 1985

Date Annual Accounting Period Ends



Date Incorporated or Formed



Application Form Number

1024

Internal Revenue Code Section

501(c)(7)

Employer Identification Number



Purpose of Organization

To lend support, both moral and financial, to the [redacted] football programs in the [redacted]; to stimulate interest among parents and students in football; to plan, build and maintain an organization to help promote the general activities and welfare of the football programs and to assist in all football associated activities.

Activities of Organization

The organization conducts fund raising to offer financial support to the [redacted] football programs. The fund raising activities consist of sales of food, athletic and booster items as well as raffles and membership solicitation. Organization also plans to conduct an annual awards banquet.

Fact, Law, and Argument

Section 501(c)(7) of the Internal Revenue Code provides exemption for clubs organized for pleasure, recreation and other nonprofitable purposes, substantially all of the activities of which are for such purposes and no part of the net earnings of which inures to the benefit of any private shareholder.

Section 1.501(c)(7)-1(b) of the Income Tax Regulations provides, in part, that a club which engages in business, such as making its social and recreational facilities available to the general public is not organized and operated exclusively for pleasure, recreation, and other non-profitable purposes.

The Committee Reports for Public Law 94-568 (Senate Report No. 94-1318 2d Session, 1976-2 C.B. 597) state that social clubs are permitted to receive up to 35% of their gross receipts, including investment income from sources outside of their membership without losing their exempt status. Within this 35% amount, not more than 15% of the gross receipts may be derived from the use of a social club's facilities or services by the general public.

[REDACTED]

Based on the information submitted, we have determined that since your social and recreational services are available to the general public, you are not organized and operated exclusively for pleasure, recreation, and other nonprofitable purposes.