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Date 4-13-93

Surname [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
FEB 26 1993

Employer Identification Number: [REDACTED]
Key District: Cincinnati

Dear Applicant:

We have considered your application for recognition of exemption from federal income tax as an organization described in section 501(c)(6) of the Internal Revenue Code. We have concluded that you have failed to establish that you are exempt from federal income tax under this section. Our reasons for this conclusion and the facts upon which it is based are explained below.

The information submitted indicates that you were incorporated on [REDACTED], under the laws of the State of [REDACTED]. Your Articles of Incorporation state that your purposes are to promote and advance the interests of the [REDACTED] communities and citizens of [REDACTED], to bring together [REDACTED] business executives residing in [REDACTED] for social and cultural activities, to educate your members concerning American social and business values and practices, to keep your members informed of business related developments in both [REDACTED] and America, to promote an understanding of [REDACTED] culture in [REDACTED], to improve conditions for [REDACTED] owned businesses in [REDACTED], and to exchange views between the [REDACTED] and American business communities.

Your bylaws provide that your membership will consist of any [REDACTED] enterprise based in [REDACTED], any individual who is a [REDACTED] citizen residing or working in [REDACTED], and any other person who is judged by your Trustees to harmonize with your purposes. You state that currently you have no members other than those of [REDACTED] enterprises and [REDACTED] citizens.

You state that you carry on activities to promote and advance the business interests of the [REDACTED] communities of [REDACTED]. You also state that you attempt to educate your members regarding the business customs and practices in the United States and to provide a means for [REDACTED] business persons to share information and experiences. Your activities

claimed.... The organization must fully describe the activities in which it expects to engage, including the standards, criteria, procedures or other means adopted or planned for carrying out the activities.... Where the organization cannot demonstrate to the satisfaction of the Service that its proposed activities will be exempt, a record of actual operations may be required before a ruling or determination letter will be issued. In those cases where an organization is unable to describe fully its purposes and activities, a refusal to issue a ruling or determination letter will be considered an initial adverse determination from which administrative appeal or protest rights will be afforded."

The information you have submitted fails to establish that your members or the individuals who attended your meetings, golf outings, or medical seminar were in a common line of business for purposes of section 501(c)(6) of the Code, which requires more than a finding that the individuals are merely engaged in a business. A line of business, within the meaning of section 501(c)(6), is a trade or occupation, entry into which is not restricted by a patent, trademark, or similar device which would allow private parties to restrict the right to engage in the business. An industry or a line of business is not defined by either race, country of origin, or ethnic background. The fact that your members are all Japanese corporations or Japanese citizens is not indicative of whether they are engaged in any business at all, much less being engaged in a common business or having a common business purpose. Unlike trade associations or business leagues recognized as exempt under section 501(c)(6), your membership does not represent a specific industry nor various professions within a common business field. Your membership is not comprised of either an entire industry, nor all the components of an industry within the [REDACTED] area.

Although you state that your membership is open to any person (presumably including [REDACTED]) judged to harmonize with your purposes, you lack the essential characteristic of a chamber of commerce or similar organization in that your efforts are directed at aiding [REDACTED] enterprises and/or [REDACTED] citizens rather than being directed at promoting the common economic interest of all the commercial enterprises in the [REDACTED] area (see the general discussion in Rev. Rul. 73-411, 1973-2 C.B. 180, regarding the history of organizations described in section 501(c)(6) of the Code). The fact that you have no members other than [REDACTED] enterprises and [REDACTED] citizens accentuates this lack of promoting the common economic interests of the community.

[REDACTED]

If we do not hear from you within 30 days, this ruling will become final and copies of it will be forwarded to your key District Director. Thereafter, any questions about your federal income tax status should be addressed to your key District Director.

When sending additional letters with respect to this case to the Internal Revenue Service, you will expedite their receipt by placing the following symbols on the envelope: [REDACTED] Room [REDACTED]. These symbols do not refer to your case but rather to its location.

Sincerely yours,

[REDACTED]
[REDACTED]
Chief, Exempt Organizations
Rulings Branch 4

cc: DD, Cincinnati
Attn: EO Group

cc: [REDACTED]

[REDACTED]
2-25-93

[REDACTED]
2-25-93

[REDACTED]
[REDACTED]
[REDACTED]
2-25-93