

Daniel

JUL 2 1982

Form:
1120
Tax Years:
All

Dear Sir/Madam:

We have considered your application for recognition of exemption from Federal Income Tax as an organization described in section 501(c)(3) of the Internal Revenue Code.

You were incorporated in [redacted] on [redacted] to provide professional services and counseling for [redacted]; to disseminate educational matter, information and notices with respect to the availability of these services and further, to analyze and recommend legislation designed to improve the health, safety and welfare of condominium unit owners; to promote the participation of condominium unit owners in the governance of their respective condominium associations and to recommend changes and amendments to By-laws and other instruments of governance of those associations; to further the dissemination of other educational matter, information and notices in regard to Federal, State and Local ordinances and regulations affecting the health, safety and welfare of condominium unit owners and to receive gifts, legacies and donations from any sources whatsoever.

Your membership is open to any condominium owner/home owner association member whose principal residence is a condominium unit or a unit part of a Homeowners Association.

The purpose of the association, as stated in your By-laws is to work toward establishment of a better environment for resident condominium owners and resident owners of Homeowners Associations, and the protection of the value of their investment in Condominium/Homeowners Associations Ownership.

Your income is derived from dues and fundraising events. Expenses include printing meeting announcements, postage, refreshments and transportation.

Code	Initiator	Reviewer	Reviewer	Reviewer	Reviewer	Reviewer	Reviewer
		[redacted]					
Surname							
Date		7/2/82					

Section 501(c)(3) - Corporations, and any community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary, or educational purposes, or for the prevention of cruelty to children or animals; no part of the net earnings of which inures to the benefit of any private shareholder or individual, no substantial part of the activities of which is carrying on propaganda, or otherwise attempting, to influence legislation, and which does not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of any candidate for public office.

Section 1.501(c)(3)-1 of the Income Tax Regulations relates to the definition of the organization and operation of organizations described in section 501(c)(3). It reads, in part, as follows:

"In order to be exempt as an organization described in section 501(c)(3), an organization must be both organized and operated exclusively for one or more of the purposes specified in such section. If an organization fails to meet either the organizational test or the operational test, it is not exempt.--- The term "exempt purpose or purposes" as used in this section, means any purposes or purposes specified in section 501(c)(3)---.

An organization is organized exclusively for one or more exempt purposes only if its articles of organization---limit the purposes of such organization to one or more exempt purposes.

An organization will be regarded as "operated exclusively" for one or more exempt purposes only if it engages primarily in activities which accomplish one or more of such exempt purposes specified in section 501(c)(3). An organization will not be so regarded if more than an insubstantial part of its activities is not in furtherance of an exempt purpose.

An organization is not operated exclusively for one or more exempt purposes if its net earnings inure in whole or in part to the benefit of any private shareholders or individuals."

Moreover, an organization is not organized or operated exclusively for one or more exempt purposes specified in section 501(c)(3) unless it serves a public rather than a private interest. To meet this requirement it is necessary for an organization to establish clearly that it is not organized or operated for the benefit of any private interests.

On the basis of the evidence presented we hold that you do not meet the organizational test because your organizational document does not limit your purposes and powers as required in section 1.501(c)(3)-1 of the Income Tax Regulations.

[REDACTED]

We have also concluded that you do not qualify for exemption from Federal income tax as an organization described in section 501(c)(3) of the Code, inasmuch as you are organized and operated for a private benefit as opposed to a public benefit.

See Revenue Ruling 74-17 Published in Cumulative Bulletin 1974-1 on page 130.

Based on the information supplied, exempt status will not be recognized under any related section of the Internal Revenue Code.

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

You are required to file Federal income tax returns on the form and for the years shown 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 indicated in the instructions for those returns.

If you do not accept our findings, we recommend that you request a conference with a member of our Regional Office of Appeals. Your request for a conference should include a written appeal giving the facts, law, and any other information to support your position as explained in the enclosed Publication 892. You will then be contacted to arrange a date for a conference. The conference may be held at the Regional Office, or if you request, at any mutually convenient District Office. If we do not hear from you within 30 days from the date of this letter, this determination will become final.

A copy of this letter will be sent to the appropriate state officials in accordance with Section 6104(c) of the Internal Revenue Code.

If you do not protest this proposed determination in a timely manner, it will be considered 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 Center."

Sincerely,

[REDACTED]
District Director

Enclosure: Publication 892
[REDACTED]