

Dear Sir or Madam:

We have considered your application for exemption from Federal income tax as an organization described in section 501(c)(6) of the Internal Revenue Code of 1954.

Section 1.501(c)(6)-1 of Income Tax Regulation states, in part, as follows:

"A business league is an association of persons having some common business interest, the purpose of which is to promote such common interest....It is an organization of the same general class as a chamber of commerce or board of trade. Thus, its activities should be directed to the improvement of business conditions of one or more lines of business as distinguished from the performance of particular services for individual persons."

The information contained in your application, for exemption, states that your purpose is "to promote the political responsibilities and activities of the [redacted] Party on a local, state or national level, through informed and active participation as members of the [redacted] Party." The above activities are not within the purview of Internal Revenue Code section 501(c)(6), and therefore, we have concluded that you do not qualify for exemption under that section of the Internal Revenue Code.

However, it appears that your organization may qualify as a political organization as described in Internal Revenue Code section 527. Internal Revenue Regulations 1.527-2(a)(1), define a political organization as:

"A party, a committee, association, fund, or other organization organized and operated primarily for the purpose of directly or indirectly accepting contributions or making expenditures that are directly or indirectly related to, and support the process of influencing or attempting to influence the selection, nomination, election, or appointment of any individual to public office in a political organization."

[REDACTED]

If you are in agreement with this proposed determination, we request that you sign and return the enclosed agreement Form 6018. Please note the instructions for signing on the reverse side of this form.

As a political organization you maybe required to file a Form 1120-POL annually, with your District Director.

If you are not in agreement with this proposed determination, we recommend that you request a hearing with our office of Regional Director of Appeals. Your request for a hearing 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 hearing. The hearing may be held at the office of Regional Director of Appeals or, if you request, at a mutually convenient District Office. A self-addressed envelope is enclosed.

Sincerely yours,

[REDACTED]  
Exempt Organizations

Enclosures:  
Publication 892  
Form 6018  
[REDACTED]