

[Redacted]

Person to Contact: [Redacted]
Telephone Number: [Redacted]
Refer Reply to: [Redacted]

[Redacted]

Date: FEB 7 1989

We have considered your application for recognition of exemption from Federal Income Tax under Section 501(c)(6) of the Internal Revenue Code.

The information submitted discloses that you were incorporated on [Redacted] under the nonprofit corporation laws of the State of [Redacted].

According to your Articles of Incorporation, the primary purpose of your organization is to associate the owners of top-rated parks for the purpose of mutual advantage and cooperation.

Your membership application states, [Redacted] is the joining together of a group of independent campgrounds/RV parks, which have attained the highest standards across America, for the purpose of group promotion.

The primary activity of your organization is producing and printing a membership directory which is distributed to the public by your members. The directory contains the names, addresses, phone numbers and map directions of your members. See Exhibit 1. The directory also provides a toll free number which allows the public to make reservations at any member park.

According to the financial information submitted, the cost of the membership directory and reservation service represents the primary expenses of your organization.

Section 501(c)(6) of the Internal Revenue Code provides for exemption of "business leagues, chambers of commerce, real estate boards, boards of trade, or professional football leagues (whether or not administering a pension fund for football players), not organized for profit and no part of the net earnings of which inures to the benefit of any private shareholder or individual."

| Code | Initiator | Reviewer | Reviewer | Reviewer | Reviewer | Reviewer | Reviewer |
|---------|------------|------------|------------|------------|------------|------------|------------|
| | [Redacted] |
| Surname | [Redacted] |
| Date | 2/12/89 | 2/15/89 | 2/21/89 | 2/25/89 | 2/28/89 | 2/28/89 | 2/28/89 |

Section 1.501(c)(6)-1 of Income Tax Regulations reads as follows:

"BUSINESS LEAGUES, CHAMBERS OF COMMERCE, REAL ESTATE BOARDS AND BOARDS OF TRADE. A business league is an association of persons having some common business interest, the purpose of which is to promote such common interest and not to engage in a regular business of a kind ordinarily carried on for profit. 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. An organization whose purpose is to engage in a regular business of a kind ordinarily carried on for profit, even though the business is conducted on a cooperative basis or produces only sufficient income to be self-sustaining, is not a business league. An association engaged in furnishing information to prospective investors, to enable them to make sound investments, is not a business league, since its activities do not further any common business interest, even though all of its income is devoted to the purpose stated. A stock or commodity exchange is not a business league, a chamber of commerce, or a board of trade within the meaning of section 501(c)(6) and is not exempt from tax. Organizations otherwise exempt from tax under this section are taxable upon their unrelated business taxable income. See sections 511 to 515, inclusive and the regulations thereunder".

It is the position of the Service that publication of advertising that carries the names of its members and their merchandise constitutes the performance of particular services for members rather than an activity directed to the improvement of business conditions. See Revenue Ruling 64-315, 1964-2 C.B. 147.

Revenue Ruling 74-308, 1974-2 C.B. 168, denied exempt status under Section 501(c)(6) to an organization which provided a telephone answering service for its members who were tow truck owners and operators.

[REDACTED]

We have concluded that you do not qualify for exemption from Federal Income Tax as an organization described in Section 501(c)(6) of the Internal Revenue Code because your primary activity is to provide advertising services and toll free reservation services for your members. These activities constitute the performance of particular services for members rather than activities directed to the improvement of business conditions. Accordingly, you are required to file Federal income tax returns on Form 1120, annually with your District Director.

If you do not agree with these conclusions, you may within 30 days from the date of this letter, file a brief of the facts, law and arguments (in duplicate) which clearly sets forth your position. In the event you desire an oral discussion of the issues, you should so indicate in your submission. A conference will be arranged in the Regional Office after you have submitted your brief to the Chicago District Office and we have had an opportunity to consider the brief and it appears that the conclusions reached are still unfavorable to you. Any submission must be signed by one of your principal officers. If the matter is to be handled by a representative, the Conference and Practice Requirements regarding the filing of a power of attorney and evidence of enrollment to practice must be met. We have enclosed Publication 892, Exempt Organization Appeal Procedures for Adverse Determinations, which explains in detail your rights and procedures.

If we do not hear from you within 30 days from the date of this letter this determination will become final.

You are required to file Federal Income Tax Returns.

Please keep this determination letter in your permanent records.

If you agree with this determination please sign and return the enclosed Form 6018.

Very truly yours,

[REDACTED]

[REDACTED]

District Director

Enclosures:
Publication 892
Form 6018