

[REDACTED]  
[REDACTED]  
[REDACTED]  
FEB 2 1989

CERTIFIED MAIL

Dear Sir or Madam:

We have considered your application for recognition of exemption from Federal income tax as an organization described in section 501(c)(7) of the Internal Revenue Code.

The information submitted establishes that you are an unincorporated association organized and operated by a Constitution. Your stated purposes are to develop all college [REDACTED] at [REDACTED] into an intelligent, aggressive and cooperative [REDACTED] group; provide through its organization the means to encourage participation in the activities of [REDACTED]; promote the platform and candidates of [REDACTED] and provide the student body with a means for getting a practical political education. You further state you educate the public on issues of pressing concern to the nation and support candidates and principles that can best address these concerns, namely [REDACTED].

Your activities currently are manning polling places and handing out literature in support of [REDACTED] candidates. You also plan to sponsor speakers and hold social events.

Your income is derived from annual dues from members.

Section 501(c)(7) provides tax exemption for clubs organized for pleasure, recreation and other non-profitable 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.

Because a club must be organized for pleasure, recreation and other non-profitable purposes, not only must an organization seeking exemption under this subsection prove that its members

[REDACTED]

are bound together by a common objective, but also that such common objective is directed towards pleasure, recreation and other non-profitable purposes. The term other non-profitable purposes means other purposes similar to pleasure and recreation. The information you have submitted establishes that you are not organized and operated for pleasure, recreation and other non-profitable purposes. You are a political club interested in promoting [REDACTED] party views and supporting [REDACTED] candidates for office. Any social and recreational activity is incidental to your other activities.

We have also considered tax exemption under section 501(c)(4) of the Internal Revenue Code.


Revenue Ruling 67-368 as published in Cumulative Bulletin 1967-2 on page 194, denied 501(c)(4) status to an organization whose primary activity was raising candidates for public office. The rationale of this ruling was that the comparative ratings of candidates, even though on a nonpartisan basis, was participation or intervention on behalf of those candidates favorably rated and opposition to those less favorably rated. Because this was the organization's primary activity, the organization was not operated exclusively for the promotion of social welfare.

Revenue Ruling 60-193, Cumulative Bulletin 1960-1 on page 195 granted 501(c)(4) to an organization created to encourage greater participation in governmental and political affairs. The organization developed and disseminated educational materials designed to create greater interest in government and politics and conducted workshops and seminars in the technical aspects of the political system. The revenue ruling stressed that the organization did not participate or intervene in any political campaign, nor did it support any political group.

It is concluded that you would not qualify under section 501(c)(4) because you have no programs which promote the common good and general welfare of the people of the community such as bringing about civic betterment and social improvements. It is further concluded that you do not qualify for tax exempt status under any other 501 section of the Code.

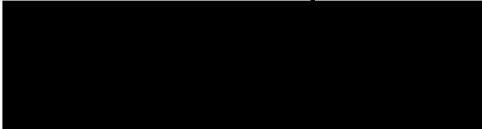
Since you have not been granted tax-exempt status you must file income tax returns.

Your attention is called to section 527 of the Internal Revenue Code, regarding political organization. It is possible that certain of your income may be exempt from Federal income tax by the filing of Form 1120-POL-U.S. Income Tax Return for Certain Political Organizations.



If you do not accept our findings, we recommend that you request a conference with a member of our Regional office conference staff. 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.

Sincerely yours,



District Director

Enclosure: Publication 892