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DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE

TAX EXEMPT AND  
GOVERNMENT ENTITIES  
DIVISION

Release Date: 8/25/2006  
UIL: 9999.98-00  
Date: DEC 14 2005

Taxpayer Identification Number:

Form: 990

Tax Year(s) Ended:

Person to Contact / ID Number:

CERTIFIED MAIL

Contact Numbers:

Telephone:

Fax:

Last Date to Petition the Courts:

Dear :

This is a final determination regarding your exempt status under section 501(c)(3) of the Internal Revenue Code (Code). Because you have not established that you are observing the conditions required to continue exempt status, recognition of your exemption from Federal income tax as an organization described in Internal Revenue Code section 501(c)(3) is retroactively revoked to

Our determination was made for the reason that you have failed to produce documents, records, or other information to establish that you are operated exclusively for one or more exempt purposes set forth in section 501(c)(3), or that you were not operated for the benefit of private interests, or that a part of your net earnings did not inure to the benefit of private individuals.

Contributions made to your organization are not deductible under section 170 of the Code. Furthermore, you are required to file Federal income tax returns on Form 1120 for all open years.

If you decide to contest this determination in court, a petition for declaratory judgment proceeding in the United States Tax Court, the United States Court of Claims, or the United States District Court for the District of Columbia must be filed within 90 days from the date this determination was mailed to you. The Publication 892 attached gives you information about filing suit in these courts.

You also have the right to contact the office of the Taxpayer Advocate. Taxpayer Advocate assistance is not a substitute for established IRS procedures, such as the formal appeals process. The Taxpayer Advocate is not able to reverse a legally correct tax determination, nor extend the time fixed by law that you have to file a petition in the U.S. Tax Court. The Taxpayer Advocate can, however, see that a tax matter that may not have been resolved through normal channels gets prompt and proper handling. You may call toll-free 1-877-777-4778 and ask for Taxpayer Advocate Assistance. If you prefer, you may contact your local Taxpayer Advocate at:

If you have any questions, please contact the contact person at the telephone number shown in the heading of this letter.

Thank you for your cooperation.

Sincerely,

Marsha Ramirez  
Director, EO Examinations

Enclosure:  
Publication 892

200634040\*

Internal Revenue Service

Department of the Treasury

Date: OCT - 6 2005

Taxpayer Identification Number:

Form:

990

Tax Year(s) Ended:

Person to Contact/ID Number:

Contact Numbers:

Telephone:

Fax:

## Certified Mail-Return Receipt Requested

Dear

We have enclosed a copy of our report of examination explaining why we believe revocation of your exempt status under section 501(c)(3) of the Internal Revenue Code (Code) is necessary.

If you do not agree with our proposed revocation, you must submit to us a written request for Appeals Office consideration within 30 days from the date of this letter to protest our decision. Your protest should include a statement of facts, the applicable law, and arguments in support of your position. An Appeals officer will review your case. The Appeals Office is independent of the Director, EO Examinations. The Appeals Office resolves most disputes informally and promptly. The enclosed Publication 3498, *The Examination Process*, and Publication 892, *Exempt Organization Appeal Procedures for Unagreed Issues*, explain how to appeal an Internal Revenue Service (IRS) decision. Publication 3498 also includes information on your Rights as a Taxpayer and the IRS Collection Process.

You may also request that we refer this matter for technical advice as explained in Publication 892. If we issue a determination letter to you based on technical advice, no further administrative appeal is available to you within the IRS regarding the issue that was the subject of the technical advice.

If we do not hear from you within 30 days from the date of this letter, we will process your case based on the recommendations shown in the report of examination. If you do not protest this proposed determination within 30 days from the date of this letter, the IRS will consider it to be a failure to exhaust your available administrative remedies. Section 7428(b)(2) of the Code provides, in part: "A declaratory judgment or decree under this section shall not be issued in any proceeding unless the Tax Court, the Claims Court, or the District Court of the United States for the District of Columbia determines that the organization involved has exhausted its administrative remedies within the Internal Revenue Service." We will then issue a final revocation letter. We will also notify the appropriate state officials of the revocation in accordance with section 6104(c) of the Code.

Letter 3618 (04-2003)  
Catalog Number: 34900F

17-CT 0002-02-030

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You have the right to contact the office of the Taxpayer Advocate. Taxpayer Advocate assistance is not a substitute for established IRS procedures, such as the formal appeals process. The Taxpayer Advocate cannot reverse a legally correct tax determination, or extend the time fixed by law that you have to file a petition in a U.S. Court. The Taxpayer Advocate can, however, see that a tax matter that may not have been resolved through normal channels gets prompt and proper handling. You may call toll-free 1-877-777-4778 and ask for Taxpayer Advocate Assistance. If you prefer, you may contact your local Taxpayer Advocate at:

If you have any questions, please call the contact person at the telephone number shown in the heading of this letter. If you write, please provide a telephone number and the most convenient time to call if we need to contact you.

Thank you for your cooperation.

Sincerely,



R. C. Johnson  
Director EO Examinations

Enclosures:  
Publication 892  
Publication 3498  
Report of Examination

Letter 3618 (04-2003)  
Catalog Number: 34808F

Form <b>886A</b>	Department of the Treasury - Internal Revenue Service <b>Explanation of Items</b>	Schedule No. or Exhibit
Name of Taxpayer		Year/Period Ended

**Facts:**

According to our records the \_\_\_\_\_ is an organization exempt from federal income tax because it is an organization described in section 501(c)(3) of the Internal Revenue Code. The Services' records further indicate that the corporation was granted exemption in \_\_\_\_\_ and is classified as other than a private foundation because it is described in sections 170(b)(1)(A)(vi) and 509(a)(1) of the Internal Revenue Code.

Individuals representing the organization approached the Service. They advised us that the organization was not in compliance with their payroll responsibilities and wanted to make correction. After conducting research we noted that not only was the organization delinquent with their payroll responsibilities they were also delinquent in filing forms 990. The last year that the organization filed form 990 was for fiscal year ending \_\_\_\_\_

The taxpayer submitted most of the payroll returns that were due; however the taxpayer never submitted any forms 990. We called the representatives who originally contacted the Service on behalf of the taxpayer. They did not return our calls. We decided to initiate an examination of the taxpayer. We sent an appointment letter by certified mail to the taxpayer's last known address. The letter was returned as undeliverable.

**Law:**

Section 501(c)(3) states that organizations organized and operated exclusively for religious, charitable, educational and other exempt purposes may qualify for exemption. In order to qualify for exemption under section 501(c)(3), no part of the organization's net earnings may inure to the benefit of any private shareholder or individual, no substantial part of the organization's activities may involve carrying on propaganda, or otherwise attempting, to influence legislation and the organization may not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of (or in opposition to) any candidate for public office.

Income tax regulation section 1.501(c)(3)-1(a) states that organizations described in this section must be 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.

Income tax regulation section 1.501(c)(3)-1(b) states that an organization is organized exclusively for one or more exempt purposes only if its articles of organization limit the purposes of the organization to one or more exempt purposes. Generally, the articles of organization cannot empower the organization to engage in activities other than as an insubstantial part that are not in furtherance of one or more exempt purposes.

Form <b>886A</b>	Department of the Treasury - Internal Revenue Service <b>Explanation of Items</b>	Schedule No. or Exhibit
Name of Taxpayer		Year/Period Ended

Income tax regulation section 1.501(c)(3)-1(c) states an organization will be regarded as operating 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.

Section 1.6001-1 requires that each person required to file a return maintain books and records to allow the Service to establish whether the taxpayer is liable for any tax liability. Exempt organizations must also maintain the records required by section 6033.

Section 1.6033-2(a) states that in general, every organization exempt from taxation under section 501(a) shall file annual information return specifically setting forth its items of gross income, gross receipts and disbursements, and such other information as may be prescribed in the instructions issued with respect to the return. Such return shall be filed annually regardless of whether such organization is chartered by, or affiliated or associated with, any central parent, or other organization.

Section 1.6033-2(i) states that an organization which is exempt from taxation under section 501(a) and is not required to file annually shall immediately notify the Service in writing of any changes in its character, operations, or purpose for which it was originally created. This section further states that every organization exempt from tax whether or not it is required to file an annual information return, shall submit such additional information as may be required by the Internal Revenue Service for the purpose of inquiring into its exempt status and administering the provisions of the tax laws.

**Taxpayer's Positions:**

None provided.

**Reasoning and Conclusion:**

received exemption as an organization described in section 501(c)(3). The Internal Revenue Service attempted to conduct an examination to insure that the organization was entitled to continue its tax exempt status. The Service mailed an audit letter by certified mail to the organization's last known address. The audit letter was returned as undeliverable.

Accordingly, we are proposing to revoke the exempt status of the  
effective