



DEPARTMENT OF THE TREASURY

Internal Revenue Service
TE/GE EO Examinations
1100 Commerce Street
Dallas, TX 75424

**TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION**

Number: **200817060**
Release Date: 4/25/2008

January 9, 2008

Legend

ORG = Organization name XX = Date UIL: 501.03-01

ORG
ADDRESS

Person to Contact:
Identification Number:
Contact Telephone Number:
In Reply Refer to: TE/GE Review Staff
EIN:

LAST DATE FOR FILING A PETITION
WITH THE TAX COURT:

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Dear :

This is a Final Adverse Determination Letter as to your exempt status under section 501(c)(3) of the Internal Revenue Code. Your exemption from Federal income tax under section 501(c)(3) of the code is hereby revoked effective July 1, 20XX.

Our adverse determination was made for the following reasons:

Organizations described in I.R.C. section 501(c)(3) and exempt under section 501(a) must be organized and operated exclusively for an exempt purpose. Your organization has not performed any activities since your inception and you have provided no information regarding your receipts, expenditures or activities. You have not established that the
has been operated exclusively for an exempt purpose. You have failed to meet the requirements of I.R.C. section 501(c)(3) and Treasury Regulation section 1.501(c)(3)-1(d) in that you have failed to provide information and establish that you were operated exclusively for an exempt purpose.”

Despite numerous requests to you to provide information to conduct an examination of your form 990 for the year ended June 30, 20XX, requested information has not been provided to us and we are unable to locate you or the organization.

Contributions to your organization are no longer deductible under section 170 of the Internal Revenue Code. You are required to file Federal income tax returns on Form 1120. These returns should be filed with the appropriate Service Center for the year ending June 30, 20XX, and for all years thereafter.

Processing of income tax returns and assessment of any taxes due will not be delayed should a petition for declaratory judgment be filed under section 7428 of the Internal Revenue Code.

If you decide to contest this determination in court, you must initiate a suit for declaratory judgment in the United States Tax Court, the United States Claim Court or the District Court of the United States for the District of Columbia before the 91st day after the date this determination was mailed to you. Contact the clerk of the appropriate court for the rules for initiating suits for declaratory judgment.

You also have the right to contact the office of the Taxpayer Advocate. However, you should first contact the person whose name and telephone number are shown above since this person can access your tax information and can help you get answers. You can call 1-877-777-4778 and ask for Taxpayer Advocate assistance. Or you can contact the Taxpayer Advocate from the site where the tax deficiency was determined by calling: Or you can contact the Taxpayer Advocate nearest you by calling, or writing to: Internal Revenue Service, Office of Taxpayer Advocate.

Taxpayer Advocate assistance cannot be used as a substitute for established IRS procedures, formal appeals processes, etc. The Taxpayer Advocate is not able to reverse legal or technically correct tax determinations, nor extend the time fixed by law that you have to file a petition in the United States 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.

We will notify the appropriate State Officials of this action, as required by section 6104(c) of the Internal Revenue Code.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely yours,

Marsha A. Ramirez
Director, EO Examinations

Internal Revenue Service

Department of the Treasury
625 Fulton Street RM 521
Brooklyn, NY 11201

Date:

ORG
ADDRESS

Taxpayer Identification Number:

Form:
990-PF

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 accept our findings, take no further action. We will issue a final revocation letter.

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 the 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 Organizations 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.

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 United States 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,

Marsha A. Ramirez
Director, EO Examinations

Enclosures:
Publication 892
Publication 3498
Report of Examination

Form 886A	Department of the Treasury - Internal Revenue Service Explanation of Items	Schedule No. or Exhibit
Name of Taxpayer ORG		Year/Period Ended June 30, 20XX

LEGEND

ORG = Organization name XX = Date

Issue

Whether the ORG exemption from Federal income tax under IRC Section 501(c)(3) should be revoked for failure to comply with filing requirements and failure to comply with producing records?

Facts

On March 23, 19XX, your organization was provided with a determination letter granting it exemption from Federal income tax under IRC Section 501(c)(3) and classified as an private foundation described in IRC Section 509(a). In this determination letter we stated that your organization is required to file Form 990-PF annually.

Your organization was formed as a Trust. The purpose of formation as stated in your Trust document is as follows: "This trust is created and shall be operated exclusively for religious, charitable and educational purposes."

Our records show that your organization did not file Forms 990-PF for the years June 30, 20XX through June 30, 20XX. We informed you of this by mail on August 28, 20XX and requested that you provide us with these filings in addition to the supporting books and records for the year ended June 30, 20XX. When we had not heard from you, we made a second request on October 25, 20XX. You then arranged an appointment to appear at this office on November 6, 20XX. On November 6, 20XX you provided Forms 990-PF for June 30, 20XX and June 30, 20XX. However, these returns as well as the books and records were incomplete. Immediately after our audit appointment, we followed-up with a letter (dated November 6, 20XX) requesting the remaining delinquent Forms 990-PF and the necessary books and records for the year ending December 31, 20XX. We attempted to contact you by certified mail and phone on November 30, 20XX and December 13, 20XX. On January 12, 20XX, we received a doctor's note from you regarding your medical condition. We issued a final request for a follow up appointment and for the delinquent returns on March 5, 20XX. You contacted us by phone on March 7, 20XX and stated that your accountant would get back to us within the week. Since this time we have not heard from you or your accountant.

Law

Section 501(c)(3) of the Internal Revenue Code, describes corporations, and any community chest, fund or foundation, organized and operated exclusively for religious charitable scientific testing for public safety literary or educational purposes no part of the net earnings of which inure 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 (except otherwise provided in subsection (h)), an which does not participate, 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.

Section 6001 of the Code provides that every person liable for any tax imposed by this title, or for the collection thereof, shall keep such records, render such statements, make such returns, and comply with such rules and regulations as the Secretary may from time to time prescribe. Whenever in the judgment of the Secretary it is necessary, he may require any person, by notice served upon such person or by regulations, to make such returns, render such statements, or keep such records, as the Secretary deems sufficient to show whether or not such person is liable for tax under this title.

Form 886A	Department of the Treasury - Internal Revenue Service Explanation of Items	Schedule No. or Exhibit
Name of Taxpayer ORG		Year/Period Ended June 30, 20XX

LEGEND

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IRC Section 6033 states in part that every organization exempt from tax under IRC Section 501(a) shall file an annual return specifically stating gross income, receipts, and disbursements, and other information for the purpose of carrying out the internal revenue laws.

Section 1.6033-2(i)(2) of the Internal Tax Regulations provides that every organization which is 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. Failure to comply with our request for information could result in the loss of tax exempt status.

Government's Position

The organization is not complying with the requirements of IRC Sections 6001 and 6033 cited above by not filing the required annual returns, Forms 990-PF, for the years ending June 30, 20XX through June 30, 20XX.

Failure to provide books and records to substantiate the organization's activities for the period ending December 31, 20XX, constitutes failure to comply with Section 1.6033-2(i)(2) of the Tax Regulations cited above.

We propose to revoke the organization's exemption under section 501(c)(3) of the Code, effective July 1, 20XX.

Taxpayer's Position

You provided a medical letter from your doctor stating that you were not able to make decisions because of a medical disorder.

Conclusion

Regarding your medical condition, we requested that you make available another Trustee or representative to represent the ORG. Your response at that time was that you wanted to be present at the examination. However, you would not provide a follow-up appointment date over the phone.

You have been provided adequate time to file the required returns and to produce the necessary books and records in order to complete our examination. Since you have not cooperated with our efforts to conclude our examination, we propose to revoke your exemption under IRC section 501(c)(3), effective July 1, 20XX.