



DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
**TEGE EO Examinations Mail Stop 4920 DAL**  
**1100 Commerce St.**  
**Dallas, Texas 75242**

501.03-00

TAX EXEMPT AND  
GOVERNMENT ENTITIES  
DIVISION

Release Number: **201013058**  
Release Date: **4/2/10**

Date: **December 30, 2009**

**LEGEND**

ORG = Organization name      xx = Date      Address = Address

**ORG**  
**ADDRESS**

**Taxpayer Identification Number:**  
**Person to Contact:**  
**Employee Identification Number:**  
**Employee Telephone Number:**

**LAST DATE TO FILE A PETITION**  
**IN TAX COURT: March 30, 20XX**

**CERTIFIED MAIL – RETURN RECEIPT**

Dear

This is a final adverse determination regarding your exempt status under section 501(c)(3) of the Internal Revenue Code (the Code). Our favorable determination letter to you dated July 20XX is hereby revoked and you are no longer exempt under section 501(a) of the Code effective January 1, 20XX.

The revocation of your exempt status was made for the following reason(s):

Organizations described in IRC 501(c)(3) and exempt under section 501(a) must be both organized and operated exclusively for exempt purposes. You have failed to produce documents to establish that you are operated exclusively for exempt purposes and that no part of your net earnings inures to the benefit of private shareholders or individuals. You failed to respond to repeated reasonable requests to allow the Internal Revenue Service to examine your records regarding your receipts, expenditures, or activities as required by IRC 6001, 6033(a)(1) and Rev. Rul. 59-95, 1959-1 C.B. 627.

Contributions to your organization are no longer deductible under IRC §170 after January 1, 20XX.

You are required to file income tax returns on Form 1120. These returns should be filed with the appropriate Service Center for the tax year ending December 31, 20XX, and for all tax years thereafter in accordance with the instructions of the return.

Processing of income tax returns and assessments 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 under the declaratory judgment provisions of section 7428 of the Code, a petition to the United States Tax Court, the United States Claims Court, or the district court of the United States for the District of Columbia must be filed before the 91<sup>st</sup> Day after the date this determination was mailed to you. Please contact the clerk of the appropriate court for rules regarding filing petitions for declaratory judgments by referring to the enclosed Publication 892. You may write to the United States Tax Court at the following address:

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 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 and ask for Taxpayer Advocate Assistance. If you prefer, you may contact your local Taxpayer Advocate at:

See the enclosed Notice 1546, Taxpayer Advocate Service - Your Voice at the IRS, for Taxpayer Advocate telephone numbers and addresses.

You should contact your State officials if you have any questions about how this final determination may affect your State responsibilities and requirements.

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

Sincerely,

Nanette M. Downing  
Acting Director, EO Examinations

Enclosures:  
Publication 892  
Publication 1546



TAX EXEMPT AND  
GOVERNMENT ENTITIES  
DIVISION

**DEPARTMENT OF THE TREASURY**

Internal Revenue Service  
TE/GE - EO DIVISION, MDP 13  
801 BROADWAY, ROOM 397  
NASHVILLE, TN 37203-3816

August 11, 2009

ORG  
ADDRESS

Taxpayer Identification Number:

Form:

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 the report of our findings 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,

Sunita B Lough  
Director, EO Examinations

Enclosures:  
Publication 892  
Publication 3498  
Report of Examination

Form <b>886-A</b> (Rev. January 1994)	<b>EXPLANATIONS OF ITEMS</b>	Schedule number or exhibit
Name of taxpayer  <b>ORG</b>	Tax Identification Number	Year/Period ended  <b>December 31, 20XX</b>

LEGEND

ORG = Organization name      XX = Date      State = State

August 11, 20XX

THE ISSUE:

Whether ORG (henceforth The Organization) qualifies for exemption under Section 501(c)(3) of the Internal Revenue Code. It has been determined that the Organization failed to file Form 990 tax return for the period ending December 31, 20XX, and upon due notification from the Service, the exempt organization (EO) failed to do so.

THE FACTS:

The EO Agent mailed letter dated September 22, 20XX to the entity address of the exempt organization requesting that the organization to send its Form 990 return for tax year ending December 31, 20XX along with other Information Document Request (IDR) on specified field examination appointment date or contact the agent if additional time was needed. The organization never responded; and letter was returned undelivered. The EO Agent mailed letters to three different addresses located through research of internal and external sources all of which came back undeliverable; the agent also call several telephone numbers located through research in an attempt to contact the organization without success. The agent was unable to locate any usable information regarding the organization from the website of the Secretary of State of the State of State. Status of the organization shows "Active/Noncompliance". Finally on January 20, 20XX the EO Agent mailed a 90-Day Letter proposing revocation of exempt status of the organization for failure to provided requested information, that letter also was returned undeliverable.

THE LAW:

IRC § 6033(a)(1) states, in part, "...every organization exempt under IRC § 501(a) shall file an annual return, stating specifically the items or gross income, receipts, and disbursements, and such other information for the purpose of carrying out the Internal Revenue laws as the Secretary may by forms or Regulations prescribe, and shall keep such records, render under oath such statements, make such other returns, and comply with such rules and Regulations as the Secretary may from time to time prescribe..."

Treasury Regulation. § 1.6001-1(c) provides, in part, that organizations exempt from tax under IRC § 501(a) shall "keep such books and records as are required to substantiate the information required by IRC § 6033."

Small exempt organizations whose gross receipts are normally \$25,000 or less are not required to file an information return. However, these organizations are now required to file

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an electronic Form 990-N with the IRS annually. An organization that normally has \$25,000 or more in gross receipts must file an exempt organization information return Form 990, Return of Organization Exempt from Income Tax. This return is due on the 15th day of the 5th month after the end of the fiscal year. The due date may be extended for three months, without showing cause, by filing Form 8868 before the due date; an additional three-month extension may be requested on Form 8868 if the organization shows reasonable cause why the return cannot be filed by the extended due date.

In accordance with the above cited provisions of the Code and regulations under IRC §§ 6001 and 6033, organizations recognized as exempt from federal income tax must meet certain reporting requirements. These requirements relate to the filing of a complete and accurate annual information (and other required federal tax forms) and the retention of records sufficient to determine whether such entity is operated for the purposes for which it was granted tax-exempt status and to determine its liability for any unrelated business income tax.

IRC Section 7805(b) provides various aspects of discretionary relief available to exempt organizations, an exempt organization that desires relief under this Section must submit a written request that contains a statement of the relief sought together with an explanation of the reasons and arguments in support of the relief requested. The exempt organization should submit a substantive discussion of Section 7805(b) standards as they relate to its situation.

**TAXPAYER'S POSITION**

Taxpayer position is unknown as the organization has never filed any Form 990 return since it was granted tax exempt status in July of 20XX.

**GOVERNMENT'S POSITION**

The organization has failed to comply with the requirements of its exempt status under Section 501(c)(3) of the Internal Revenue Code and the various laws stated above and therefore should be revoked for noncompliance.

Conclusion:

The Service has made due diligence efforts to contact the organization to comply with its Form 990 return filing obligation without success. It is the position of the Internal Revenue Service that the organization has failed to meet the reporting requirements under IRC §§ 6001 and 6033 to be recognized as exempt from federal income tax under IRC §

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501(c)(03). Accordingly, the organization's exempt status should be revoked effective \_\_\_\_ January 01, 20XX \_\_\_\_.

The examination was unable to uncover any record of income for the year audited, prior and subsequent years that will warrant Form 1120 returns.