



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
Attn: Mandatory Review, MC 4920 DAL
1100 Commerce St.
Dallas, TX 75242

501.03-00

TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

Number: **201418058**
Release Date: 5/2/2014

LEGEND

ORG - Organization name
XX - Date Address - address

Date: October 8, 2008

Employer Identification Number:
Person to Contact/ID Number:
Contact Numbers:

ORG
ADDRESS

Voice:
Fax:

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Dear :

In a determination letter dated October 19XX, you were held to be exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code (the Code).

Based on recent information received, we have determined you have not operated in accordance with the provisions of section 501(c)(3) of the Code. Accordingly, your exemption from Federal income tax is revoked effective July 1, 20XX. This is a final adverse determination letter with regard to your status under section 501(c)(3) of the Code.

We previously provided you a report of examination explaining why we believe revocation of your exempt status is necessary. At that time, we informed you of your right to contact the Taxpayer Advocate, as well as your appeal rights. On September 24, 20XX, you signed Form 6018-A, *Consent to Proposed Action*, agreeing to the revocation of your exempt status under section 501(c)(3) 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 contact the person whose name and telephone number are shown at the beginning of this letter.

Sincerely,

Vicki Hansen
Acting, Director EO Examinations



TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

DEPARTMENT OF THE TREASURY
Internal Revenue Service
Exempt Organizations
400 North 8th Street, Room 480, Box 74
Richmond, VA 23219-4838

October 7, 2008

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 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,

Ellen R. Nagy
Internal Revenue Agent

Enclosures:
Publication 892
Publication 3498
Report of Examination

| | | | |
|--|---|---------------------------------------|----------------------------|
| Form 886-A (Rev. January 1994) | EXPLANATIONS OF ITEMS | | Schedule number or exhibit |
| Name of taxpayer ORG | Tax Identification Number EIN | Year/Period ended 6/30/20XX | |

LEGEND

ORG - Organization name EIN - EIN XX - Date State - state CO-1 - 1st
COMPANY

ISSUE: Does ORG (ORG) qualify for exemption under Section 501(c)(3) of the Internal Revenue Code?

FACTS: According to exam, no Form 990 information return has been filed for tax years 20XX06, 20XX06, 20XX06, or 20XX06. According to the last Executive Director, the organization has been out of business for several years. ORG is still an active corporation on the website of the State Department of State.

During this examination, in communication between the Service and the Executive Director, the Executive Director stated that she has had no inquiries regarding the organization nor has she paid any fee to the State Department of State to maintain active status for ORG for numerous years. ORG has had no assets and no activities for numerous years. The last action in regard to ORG was to transfer the assets to the CO-1.

LAW: Section 6033(a)(1) of the Code provides that every organization exempt from tax under section 501(a) shall file an annual return, stating specifically the items of gross income, receipts and disbursements, and such other information for the purposes of carrying out the internal revenue laws as the Secretary may prescribe.

IRC section 6652(c)(1) imposes a penalty of \$20 per day for late filing Form 990.

IRC section 6033 requires revocation of exempt status for an organization that fails to file the Form 990 because it has failed to observe the conditions required for continuation of its exempt status.

Rev. Rul. 59-95, 1959-1 C.B.627 provides that the failure or inability of an organization to file a required information return can result in termination of the organization's exempt status because the organization is not complying with the conditions required for continuation of exempt status.

Revocation is appropriate where the sanctions of IRC section 6652 have proven ineffective in securing compliance with the filing requirements of IRC section 6033.

Form 990 specific instructions for Line 79 provides that 501(c)(3) organizations furnish a statement of final disposition of assets and a statement of resolution or plan of termination.

TAXPAYER'S POSITION: ORG Executive Director confirmed that she was the Executive Director at the time ORG was operating, and stated that she would agree to revocation of the ORG in order to end the existence of the ORG.

GOVERNMENT'S POSITION: ORG is out of existence having had no activities or assets for numerous years. The assets of ORG were transferred by bank draft to the CO-1 by wire transfer. No F990 returns have been filed since 20XX06, therefore, the Service proposes revocation of exempt status.

CONCLUSION: ORG has not established that it is observing the conditions for continuation of its exempt status and revocation is proposed effective July 1, 20XX.