



Department of the Treasury
Internal Revenue Service
Tax Exempt and Government Entities
PO Box 2508
Cincinnati, OH 45201

Date:
October 13, 2020
Employer ID number:

Form you must file:

Tax years:

Person to contact:

Name:
ID number:
Telephone:

Number: **202101005**
Release Date: 1/8/2021

UIL 501.02-00

Dear _____ :

This letter is our final determination that you don't qualify for exemption from federal income tax under Internal Revenue Code (IRC) Section 501(a) as an organization described in IRC Section 501(c)(2). Recently, we sent you a proposed adverse determination in response to your application. The proposed adverse determination explained the facts, law, and basis for our conclusion, and it gave you 30 days to file a protest. Because we didn't receive a protest within the required 30 days, the proposed determination is now final.

You must file the federal income tax forms for the tax years shown above within **30 days** from the date of this letter unless you request an extension of time to file. For further instructions, forms, and information, visit www.irs.gov.

We'll make this final adverse determination letter and the proposed adverse determination letter available for public inspection after deleting certain identifying information, as required by IRC Section 6110. Read the enclosed Notice 437, Notice of Intention to Disclose, and review the two attached letters that show our proposed deletions. If you disagree with our proposed deletions, follow the instructions in the Notice 437 on how to notify us. If you agree with our deletions, you don't need to take any further action.

If you have questions about this letter, you can call the contact person shown above. If you have questions about your federal income tax status and responsibilities, call our customer service number at 800-829-1040 (TTY 800-829-4933 for deaf or hard of hearing) or customer service for businesses at 800-829-4933.

Sincerely,

Stephen A. Martin
Director, Exempt Organizations
Rulings and Agreements

Enclosures:

Notice 437

Redacted Letter 4034

Redacted Letter 4038



**Department of the Treasury
Internal Revenue Service**

P.O. Box 2508
Cincinnati, OH 45201

Date:

August 18, 2020

Employer ID number:

Contact person/ID number:

Contact telephone number:

Contact fax number:

Legend:

X = State

Y = Date

UIL:

501.02-00

Dear _____ :

We considered your application for recognition of exemption from federal income tax under Internal Revenue Code (IRC) Section 501(a). We determined that you don't qualify for exemption under IRC Section 501(c)(2). This letter explains the reasons for our conclusion. Please keep it for your records.

Issues

Do you qualify for exemption under IRC Section 501(c)(2)? No, for the reasons stated below.

Facts

You are an unincorporated association formed in the State of X on Y, although the copy of the Constitution you provided was not signed.

Your mission statement and Constitution Preamble indicates that you are formed for the purpose of fostering, training and standardizing sports officiating for the promotion of good sportsmanship between individual members and between various schools.

Your bylaws indicate that your membership consists of qualified area sports officials. Membership is limited to persons who follow your Constitution and Bylaws. Your membership provides competent, professional sports officiating at high school games in your service area.

Some of the services that you provide are:

- Training sports officials to officiate middle and high school sporting events.
- Conducting seminars for schools and sports officials for the purpose of applying the rules of the game in a uniform manner.
- Workshops for sports officials for the purpose of understanding and the application of the rules for sporting events.
- Obtaining rule books for each sports official.

Letter 4034 (Rev. 11-2018)

Catalog Number 47628K

You completed Schedule A to Form 1024 regarding organizations requesting exemption under IRC Section 501(c)(2), but you indicated “not applicable” to each question.

Your balance sheet only includes a small amount of cash and does not include land or other assets.

Law

IRC Section 501(c)(2) exempts from federal income tax corporations organized for the exclusive purpose of holding title to property, collecting income therefrom, and turning over the entire amount thereof, less expenses, to an organization which itself is exempt from federal income tax under IRC 501(a).

Revenue Ruling 58-566, 195-2 C.B. 261, indicates that a corporation will not be considered a title-holding company where it has broad powers and business purposes far beyond the scope necessary for a title-holding company.

Rev. Rul. 69-381, 1969-2 C.B. 113, provides that a corporation that leases a building to the general public and turns over the rents less expenses incident to the operation and maintenance of the building to its parent, an exempt charitable organization, is not precluded from exemption.

Application of law

You do not hold title to any property, collect income from operations related to the property, and turn over the entire amount, less expenses, to an organization that is exempt under IRC 501(a).

You are not like the organization in Rev. Rul. 58-566 because your organizing document provides you with powers beyond the scope of IRC Section 501(c)(2).

You are also not like the organization in Rev. Rul. 69-381 because you are not holding title to property for the benefit of any exempt organization under IRC Section 501(a).

Your position

In response to our request for additional information regarding your requested classification under IRC Section 501(c)(2), you indicated that you believe you are better qualified under Section 501(c)(3) as an organization “designed to foster national or international amateur sports.” You were given three options: File Form 1023-EZ or Form 1023; continue with processing this application as an adverse action; or withdraw your application. You chose to proceed with the adverse action on this application.

Our response to your position

Although you indicated you believe you would be better qualified under IRC Section 501(c)(3), you did not take any additional actions. You did not withdraw your application and you chose to continue with the adverse action.

Conclusion

You do not qualify for exemption from federal income tax under IRC Section 501(c)(2) because you do not hold title to property, collect income from operations related to the property, and turn over the entire amount, less expenses, to an organization that is exempt under Section 501(a).

If you agree

If you agree with our proposed adverse determination, you don't need to do anything. If we don't hear from you within 30 days, we'll issue a final adverse determination letter. That letter will provide information on your income tax filing requirements.

If you don't agree

You have a right to protest if you don't agree with our proposed adverse determination. To do so, send us a protest within 30 days of the date of this letter. You must include:

- Your name, address, employer identification number (EIN), and a daytime phone number
- A statement of the facts, law, and arguments supporting your position
- A statement indicating whether you are requesting an Appeals Office conference
- The signature of an officer, director, trustee, or other official who is authorized to sign for the organization or your authorized representative
- The following declaration:

For an officer, director, trustee, or other official who is authorized to sign for the organization:

Under penalties of perjury, I declare that I have examined this request, or this modification to the request, including accompanying documents, and to the best of my knowledge and belief, the request or the modification contains all relevant facts relating to the request, and such facts are true, correct, and complete.

Your representative (attorney, certified public accountant, or other individual enrolled to practice before the IRS) must file a Form 2848, Power of Attorney and Declaration of Representative, with us if they haven't already done so. You can find more information about representation in Publication 947, Practice Before the IRS and Power of Attorney.

We'll review your protest statement and decide if you gave us a basis to reconsider our determination. If so, we'll continue to process your case considering the information you provided. If you haven't given us a basis for reconsideration, we'll send your case to the Appeals Office and notify you. You can find more information in Publication 892, How to Appeal an IRS Determination on Tax-Exempt Status.

If you don't file a protest within 30 days, you can't seek a declaratory judgment in court later because the law requires that you use the IRC administrative process first (IRC Section 7428(b)(2)).

Where to send your protest

Send your protest, Form 2848, if applicable, and any supporting documents to the applicable address:

U.S. mail:

Internal Revenue Service
EO Determinations Quality Assurance
Mail Stop 6403
P.O. Box 2508
Cincinnati, OH 45201

Street address for delivery service:

Internal Revenue Service
EO Determinations Quality Assurance
550 Main Street, Mail Stop 6403
Cincinnati, OH 45202

You can also fax your protest and supporting documents to the fax number listed at the top of this letter. If you fax your statement, please contact the person listed at the top of this letter to confirm that they received it.

You can get the forms and publications mentioned in this letter by visiting our website at www.irs.gov/forms-pubs or by calling 800-TAX-FORM (800-829-3676). If you have questions, you can contact the person listed at the top of this letter.

Contacting the Taxpayer Advocate Service

The Taxpayer Advocate Service (TAS) is an independent organization within the IRS that can help protect your taxpayer rights. TAS can offer you help if your tax problem is causing a hardship, or if you've tried but haven't been able to resolve your problem with the IRS. If you qualify for TAS assistance, which is always free, TAS will do everything possible to help you. Visit www.taxpayeradvocate.irs.gov or call 877-777-4778.

Sincerely,

Stephen A. Martin
Director, Exempt Organizations
Rulings and Agreements