



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

Number: **202129017**  
Release Date: 7/23/2021

UIL Number: 501.03-00, 501.03-21, 501.36-01

Date: April 27, 2021  
Employer ID number:  
Form you must file: 1120  
Tax years: All  
Person to contact:  
Name:  
ID number:  
Telephone:

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)(3). 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.

Because you don't qualify as a tax-exempt organization under IRC Section 501(c)(3), donors generally can't deduct contributions to you under IRC Section 170.

We may notify the appropriate state officials of our determination, as required by IRC Section 6104(c), by sending them a copy of this final letter along with the proposed determination letter.

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](http://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: February 2, 2021

Employer ID number:

Contact person/ID number:

Contact telephone number:

Contact fax number:

**Legend:**

- B = State
- C = Date
- D = Name
- p percent = Number
- q percent = Number
- r percent = Number
- s percent = Number
- t dollars = Amount

**UIL:**

- 501.03-00
- 501.03-21
- 501.36-01

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)(3). 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)(3)? No, for the reasons stated below.

**Facts**

You incorporated in the state of B on C. Your Articles of Organization indicate your purpose is to make research accessible to everyone by providing affordable research tools. You rely on state law for dissolution provisions.

In your application for exemption, you described the two main activities that you participate in. The first and primary activity is the design, development, and distribution of generally free web-based research management software called D. The software is created by your software engineers, uploaded to your secure computer servers and made available to all researchers. You describe D as an easy-to-use project management tool for scientific researchers. Researchers use the free web-based software to track and monitor experiment participants even outside of the traditional laboratory setting.

Your second activity is to promote STEM education in grades \_\_\_\_\_ to \_\_\_\_\_ by providing students with workshops and activities that let them use D and conduct their own research projects. Specifically, you provide worksheets,

lesson plans, and occasional training or workshops; the teachers at participating schools conduct the activities with the students as part of the school's curriculum.

You indicated that your primary activity of maintaining and improving D will take p percent of your time. Preparation of lesson plans for your secondary activity will take up q percent of your time. You will spend the remainder of your time on administrative work and business development.

You contract with external organizations to manage various aspects of the software and customer service. Currently, one of contracted software development companies is partially owned by one your Directors, but they are not allowed to participate in deliberations and voting on the transactions.

You state that all activities are focused on promoting scientific research and discovery. You enable scientific researchers to expand the scope and efficacy of their research by providing them with innovative tools that have not previously existed. Due to the high costs of collecting data and managing research projects, research has previously not been easily accessible. With D's affordability and ease of use, you make health research accessible to everyone, from large academic labs to a financially limited college student looking to try out a project.

Although not created for use in testing for commercial products, D can be used for such purposes. For example, the software could be used by pharmaceutical labs as a tool for drug or clinical testing depending on the type of testing and what metrics they are measuring. The software does abide by all data regulations regarding health information (i.e. HIPAA).

In addition to helping research professionals, you believe that more students would choose to pursue academic research if they actually had a chance to experience scientific discovery. D promotes research as a possible career path by setting up classes and activities for students.

You anticipate that all activities will be funded by revenue generated from D, which includes fees for using a "professional" version of the D software. You may also receive consulting fees for helping implement customized programs within schools. Lastly, you will also accept donations and apply for foundation and government grants.

As part of your application, you indicated that you operate a freemium software as a service model, meaning most users won't pay anything but some accounts (professional research labs, pharmaceutical labs, etc.) will pay for extended services.

Advantages of the professional plan over the free personal plan include additional storage space, unlimited number of projects, unlimited number of participants in a user's study, unlimited hardware raw data access, advanced security monitoring, advance customer support, and audit trail (for clinical trial use). A yearly subscription is t dollars per person.

If an institution wants to buy in bulk, you may offer a discounted bulk price. You also offer the free professional version to students from low-income school systems or neighborhoods. All other students get substantial discount pricing on professional subscriptions.

You believe in personal data ownership. All data collected through the D platform is owned by the individual, and they have complete control over what they want to do with their data. Individual users own any intellectual property that may result from their research. Users are not required to share or make widely available the results of their research. However, many users are part of institutions that do have requirements to make their research results available to all. Users can also choose to donate their anonymized collected data to your D open database, which is accessible for free to all, in order to provide researchers with access to datasets to further their research.

### **Law**

IRC Section 501(c)(3) exempts from taxation any corporation organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary, or educational purposes, or to foster national or international amateur sports competition, or for the prevention of cruelty to children or animals, provided no part of the net earnings of which inures to the benefit of any private shareholder or individual.

Treasury Regulation Section 1.501(c)(3)-1(a)(1) provides that, in order to be exempt as an organization described in IRC Section 501(c)(3), an organization must be both organized and operated exclusively for one or more of the purposes specified in such section. If an organization fails to meet either the organizational or operational test, it is not exempt.

Treas. Reg. Section 1.501(c)(3)-1(b)(1)(i) provides that an organization is organized exclusively for one or more exempt purposes only if its articles of organization:

- (a) Limit the purposes of such organization to one or more exempt purposes; and
- (b) Do not expressly empower the organization engage, otherwise than as an insubstantial part of its activities, in activities that in themselves are not in furtherance of one or more exempt purposes.

Treas. Reg. Section 1.501(c)(3)-1(b)(1)(iv) provides that in no case shall an organization be considered to be organized exclusively for one or more exempt purposes, if, by the terms of its articles, the purposes for which such organization is created are broader than the purposes specified in IRC Section 501(c)(3).

Treas. Reg. Section 1.501(c)(3)-1(c)(1) provides that an organization will be regarded as "operated 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 IRC 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.

Treas. Reg. Section 1.501(c)(3)-1(d)(5)(i) provides that a scientific organization must be organized and operated in the public interest. Therefore, the term scientific, as used in IRC Section 501(c)(3), includes the carrying on of scientific research in the public interest. "Research," when taken alone, is a word with various meanings; it is not synonymous with scientific; and the nature of particular research depends upon the purpose which it serves. For research to be scientific, within the meaning of Section 501(c)(3), it must be carried on in furtherance of a scientific purpose. The determination as to whether research is scientific does not depend on whether such research is classified as fundamental or basic as contrasted with applied or practical.

Treas. Reg. Section 1.501(c)(3)-1(d)(5)(ii) provides that scientific research does not include activities of a type ordinarily carried on as an incident to commercial or industrial operations, as, for example, the ordinary testing or inspection of materials or products or the designing or construction of equipment, buildings, etc.

Treas. Reg. Section 1.501(c)(3)-1(d)(5)(iii) provides that scientific research will be regarded as carried on in the public interest: (a) If the results of such research (including any patents, copyrights, processes, or formula resulting from such research) are made available to the public on a nondiscriminatory basis; (b) If such research is performed for the United States, or any of its agencies or instrumentalities, or for a State or political subdivision thereof; or (c) If such research is directed toward benefiting the public. The following are examples of scientific research which will be considered as directed toward benefiting the public, and, therefore, which will be regarded as carried on in the public interest: (1) scientific research carried on for the purpose of aiding in the scientific education of college or university students; (2) scientific research carried on for the purpose of obtaining scientific information, which is published in a treatise, thesis, trade publication, or in any other form that is available to the interested public; (3) scientific research carried on for the purpose of discovering a cure for a disease; or (4) scientific research carried on for the purpose of aiding a community or geographical area by attracting new industry to the community or area or by encouraging the development of, or retention of, an industry in the community or area.

Treas. Reg. Section 1.501(c)(3)-1(e)(1) provide that an organization may meet the requirements of IRC Section 501(c)(3) although it operates a trade or business as a substantial part of its activities, if the operation of such trade or business is in furtherance of the organization's exempt purpose or purposes and if the organization is not organized or operated for the primary purpose of carrying on an unrelated trade or business, as defined in Section 513.

Rev. Rul. 68-373, 1968-2 C.B. 206, described an organization whose primary activity was clinically testing drugs for commercial pharmaceutical companies to comply with the Food and Drug Administration's requirements that drugs be tested for safety and efficacy before they can be marketed was not engaged in scientific research. The Ruling stated that clinical testing is an activity ordinarily carried on as an incident to a pharmaceutical company's commercial operations. The fact that the testing must be done by highly qualified professionals does not change its basic nature. The testing does not constitute scientific research within the meaning of Treas. Reg. Section 1.501(c)(3)-1(d)(5)(i). The organization failed to qualify for exemption from Federal income tax under IRC Section 501(c)(3).

Rev. Rul. 69-526, 1969-2 C.B. 115, describes an organization formed by a group of physicians specializing in heart disease, to research the causes of heart defects and publish treatments, that qualified for exemption under IRC Section 501(c)(3). In this ruling, patients were referred to the organization by physicians and welfare agencies when it appeared that their condition merited special study and evaluation. Each patient underwent a medical examination to determine whether their condition fell within the scope of the organization's research goals. If the patient's case met the criteria, the patient was accepted without regard to their ability to pay. The data collected from the patient studies is used by the organization in the development of new methods and procedures for preventing and treating heart defects. The results of the research, as well as any medical procedures derived, were made public through publication. The organization's research could only be performed by individuals with advanced scientific and/or technical expertise -- i.e., cardiologists. The results of the organization's research were publicly disseminated and add to the knowledge of internal medicine, specifically the causes and treatments for heart disease. Based upon the above, the Service held that the organization's research activities were scientific under Section 501(c)(3).

Rev. Rul. 71-506, 1971-2 C.B. 233, describes an engineering society formed to engage in scientific research in the areas of heating, ventilating, and air conditioning ("HVAC") for the public that qualified as a scientific

research organization under IRC Section 501(c)(3). The Service found that the organization was comprised of HVAC engineers, architects, educators and others who have a professional interest in HVAC -- with full membership in the organization limited to persons with 8 years of experience in the science related to HVAC. The organization's research was conducted by a full-time paid staff in the organization's own laboratory. Typical subjects of investigation for the organization included the effects of solar radiation through various materials, the phenomena of heat flow and transfer, development of data on air friction, the problems of panel heating, and the physiological effects of air conditioning upon the human body. The organization's research was devoted exclusively to the development of data on basic physical phenomena, which data can be used by anyone. The organization published a regular journal and maintained a library where its data, and specifically scores of model codes of minimal standards for HVAC, are stored for public review. The Service concluded that this organization engaged in scientific research.

Rev. Rul. 71-529, 1971-2 C.B. 234, determined that an organization that provided assistance in the management of participating colleges' and universities' endowment or investment funds for a charge substantially below cost qualified for recognition under IRC Section 501(c)(3). The organization restricted its membership to Section 501(c)(3) organizations, and its board of directors was composed of representatives from member organizations. The organization obtained grants from independent charitable organizations to cover operating expenses and only charged members a nominal fee representing less than 15% of the total costs of operation for its services. The ruling found that, by providing the services described above, the organization performed an essential function for charitable organizations. Furthermore, by performing this function at substantially below cost, the organization performed a charitable activity within the meaning of Section 501(c)(3).

Rev. Rul. 72-369, 1972-2 C.B. 245, determined that an organization formed to provide managerial and consulting services at cost to unrelated exempt organizations did not qualify for recognition under IRC Section 501(c)(3). The organization provided managerial and consulting services for Section 501(c)(3) organizations at cost. The ruling found that providing managerial and consulting services on a regular basis for a fee was a trade or business ordinarily conducted for profit. Furthermore, the ruling explained that an organization does not qualify for recognition merely because its operations are not conducted for the purpose of producing a profit. Rather, providing services at cost lacked the donative element necessary to establish the activity as charitable. Accordingly, the ruling held that the organization did not qualify for recognition under Section 501(c)(3).

In Better Business Bureau of Washington, D.C., Inc. v. United States, 326 U.S. 279, 66 S. Ct. 112, 90 L. Ed. 67, 1945 C.B. 375 (1945), the Supreme Court held that the presence of private benefit, if substantial in nature, will destroy an organization's tax-exempt status regardless of the organization's other charitable purposes or activities.

In B.S.W. Group, Inc. v. Commissioner, 70 T.C. 352 (1978), the Tax Court determined that an organization that sold consulting services to nonprofit and exempt organizations interested in rural-related policy and program development operated a trade or business ordinarily carried on for profit. The burden rested on petitioner to prove that it did not operate "a consulting business of the sort which is ordinarily carried on by commercial ventures organized for profit." The court stated that "competition with commercial firms is strong evidence of the predominance of nonexempt commercial purposes." Accordingly, the court determined that petitioner "completely failed to demonstrate that its own services, or the services provided by its consultants, [were] not in competition with commercial businesses such as personnel agencies, consulting referral services, real estate agents, housing rental services, banks, loan companies, trash disposal firms, or environmental consulting companies." Furthermore, petitioner did not conduct other substantial charitable activities. Other factors that

counted against petitioner included that petitioner's financing did not resemble that of a typical IRC Section 501(c)(3) organization and that petitioner failed to limit its services to Section 501(c)(3) organizations. Therefore, the court determined that petitioner failed to qualify for recognition under Section 501(c)(3).

In American Campaign Academy v. Commissioner, 92 T.C. 1053 (1989), the Tax Court determined that the American Campaign Academy, a training program for political campaign professionals, operated for the private benefit of the Republican party because its curriculum was tailored to Republican interests, its graduates worked for Republican candidates and incumbents, and it was financed by Republican sources. The Tax Court defined private benefit as "nonincidental benefits conferred on disinterested persons that serve private interests." Private benefits included "advantage; profit; privilege; gain; [or] interest."

### **Application of law**

IRC Section 501(c)(3) and Treas. Reg. Section 1.501(c)(3)-1(a)(1) set forth two main tests for an organization to be recognized as exempt. An organization must be both organized and operated exclusively for purposes described in Section 501(c)(3). Based on the information you provided in your application and supporting documentation, we conclude that you fail both tests.

Your Articles of Incorporation do not include a purpose clause that limits your purposes to one or more exempt purposes. The purposes for which you were created are broader than the purposes specified in IRC Section 501(c)(3), specifically to make research accessible to everyone by providing affordable research tools. Therefore, you did not establish that you have valid a purpose provision. As a result, you have not satisfied the organizational test described in Treas. Reg. Sections 1.501(c)(3)-1(b)(1)(i) and (iv).

You are also not described in IRC Section 501(c)(3) because you fail the operational test. Specifically, you are not operated exclusively for an exempt purpose as described in Treas. Reg. Section 1.501(c)(3)-1(c)(1). The presence of a single non-exempt purpose, if substantial in nature, will destroy exemption under Section 501(c)(3) regardless of the number or importance of any other exempt purposes. Better Business Bureau of Washington, D.C. v. United States, 326 U.S. 279, 66 S. Ct. 112, 90 L. Ed. 67, 1945 C.B. 375 (1945). The facts show you are not operated exclusively for scientific purposes, but also for the substantial nonexempt commercial purpose of providing research management software for the public at large.

You claim to qualify for tax-exemption as a scientific research organization for your activities that are related to the design, development, and distribution of research management software. For an organization to qualify as an IRC Section 501(c)(3) scientific research organization, the organization must (1) engage in scientific research; (2) the scientific research must not include activities that are incidental to commercial or industrial operations; and, (3) the scientific research must be undertaken in the public's interest. Treas. Reg. Section 1.501(c)(3)-1(d)(5).

Under the first element, the organization seeking exempt status as a scientific research organization must be engaging in scientific research. Treas. Reg. Section 1.501(c)(3)-1(d)(5). For research to be "scientific," within the meaning of IRC Section 501(c)(3), it must be carried on in furtherance of a 'scientific' purpose. Treas. Reg. Section 1.501(c)(3)-1(d)(5)(i). Although the Regulations provide that research that is scientific can be practical or applied as well as fundamental or theoretical, the term "scientific" is not clearly identified in either the Code or the Treasury Regulations. However, several revenue rulings and cases have interpreted "science" and "scientific" in terms of scientific research for IRC Section 501(c)(3) purposes.



For example, in Rev. Rul. 71-506, 1971-2 C.B. 233, the Service held that an engineering society qualified as a scientific research organization under IRC Section 501(c)(3). The organization was operated to engage in scientific research in the areas of heating, ventilation, and air conditioning ("HVAC") for the public benefit. In another example, the Service held that an organization formed by a group of physicians specializing in heart disease to research the causes of heart defects and publish treatments, qualified under Section 501(c)(3). Rev. Rul. 69-526, 1969-2 C.B. 115.

Based upon the above law, you do not meet the first and second elements for recognition as a scientific research organization under IRC Section 501(c)(3) because you do not engage in scientific research and your software development activities are of a type incident to commercial or industrial operations. Unlike the organizations described above, you are not utilizing objective scientific methods to formulate or verify facts or natural laws, or to search for a demonstrable truth. You do not propose a hypothesis pertaining to the verification of facts or natural laws. You do not utilize scientific methods to test this hypothesis and objectively record the results of your experimentation. Finally, you do not objectively evaluate your research results and publish the findings for the public to utilize. Instead, you design, develop, and distribute research management software. This activity can best be described as routine product development, which is a type incident to commercial operations. Under Treas. Reg. Section 1.501(c)(3)-1(d)(5)(ii), scientific research does not include activities carried on as an incident to commercial or industrial operations, such as the design or improvement of goods or services. For example, in Rev. Rul. 68-373, 1968-2 C.B. 206, the Service held that an organization that engaged in clinical testing of pharmaceuticals by highly qualified personnel was not a scientific research organization under IRC Section 501(c)(3) but rather was engaging in ordinary testing necessary to comply with standards to bring the pharmaceuticals to market. Here, you are engaging in software development similar to what a commercial software company engages in to develop new products to be competitive in the market. In addition, the software you develop can be used by others for any purpose, including testing for commercial products and clinical testing by pharmaceutical labs. As such, a substantial part of your activities are incidental to commercial operations and are not exempt under IRC Section 501(c)(3).

Finally, you do not meet the third element for a scientific research organization, which requires that scientific research to be directed toward benefiting the public. Treas. Reg. Section 1.501(c)(3)-1(d)(5)(iii). Your research does not exclusively benefit the public. First, users of your software own the results of their research and are not required to publish the results of their research. See Treas. Reg. Section 1.501(c)(3)-1(d)(5)(iii)(a). Rather, you make your software available to the public for their personal consumption, similar to the release of a commercial product, not the publication of scientific research. Second, your research is not performed for the United States. See Treas. Reg. Section 1.501(c)(3)-1(d)(5)(iii)(b). Third, your research is not exclusively carried on for the purpose of aiding in the scientific education of college or university students; obtaining scientific information, which is published in a treatise, thesis, trade publication, or in any other form that is available to the interest public; discovering a cure for a disease; or aiding a community or geological by attracting new industry to the community or area or by encouraging the development of, or retention of, an industry in the community or area. See Treas. Reg. Section 1.501(c)(3)-1(d)(5)(iii)(c). Production of Q benefits users, including commercial labs and pharmaceutical companies. Therefore, you do not qualify under IRC Section 501(c)(3) as a scientific research organization.

An organization is not organized or operated exclusively for one or more exempt purposes unless it serves a public rather than private interest. Treas. Reg. Section 1.501(c)(3)-1(d)(1)(ii). Private benefit has been defined as "nonincidental benefits conferred on disinterested persons that service private interests." American Campaign Academy v. Commissioner, 92 T.C. 1053 (1989). "Prohibited private benefit may include an 'advantage; profit;

privilege; gain; [or] interest." Id. It is the organization's burden to establish that it is not organized or operated for the benefit of private interests such as designated individuals, the creator or his family, shareholders of the organization, or persons controlled, directly or indirectly, by such private interests. Treas. Reg. Section 1.501(c)(3)-1(d)(1)(ii).

You benefit the private interests of users by providing research management software that assists researchers with their own projects, whether the projects be educational, recreational, or commercial. Thus, you are operated for private rather than public interests in violation of IRC Section 501(c)(3).

Your primary activity is providing research management software, which is a trade or business ordinarily carried on for profit. See B.S.W. Group, Inc. v. Commissioner, 70 T.C. 352 (1978). An organization may be recognized as tax-exempt even though it operates a trade or business as a substantial part of its activities if certain conditions are met. Treas. Reg. Section 1.501(c)(3)-1(e). For example, management and consulting services are trades or businesses ordinarily conducted for profit. Rev. Rul. 72-369; Rev. Rul. 71-529; B.S.W. Group, 70 T.C. 352. Nonetheless, Rev. Rul. 71-529 held that an organization that provided assistance in the management of participating colleges and universities' endowment or investment funds for a charge substantially below cost qualified for recognition under IRC Section 501(c)(3). However, unlike this organization, you intend to provide your services to any interested person or organization, not just Section 501(c)(3) organizations. Furthermore, you fail to establish that you provide your services at substantially below cost.

### **Your position**

You submitted amendments to your original application, in which you state you have been re-prioritizing your efforts to help provide schools with a STEM program that can be launched whether the students are experiencing in-person, hybrid, or remote learning.

Your D STEM education programs for schools will promote inquiry-based learning and allow students to practice a hands-on approach to learning science. Students will cover the entire research process, from selecting a topic, hypothesis and protocol design, to data collection, data analysis, and presenting their project.

As part of your belief in accessibility, your program is free to access for all students and schools. You will also offer add-on services for schools that require a more tailored service, such as events, seminars, implementation, etc. These add-on services will have a cost since you need to cover the cost of staff.

You now state that the first activity of maintaining and improving the D software will take  $r$  percent of your time and the preparation of STEM education programs will take around  $s$  percent of the total time. The remaining time will be used for administrative work, fundraising, etc.

You now state that your activities will be funded from three main sources. First is from public donations and government grants. Second will be from revenue generated from fees for using premium add-on features in the D software. Third will be fees for add-on services to schools.

You amended your statement of revenue and expenses to reflect both an increase in donations and salaries and wage expense.

### **Our response to your position**

You failed to provide any additional information from which it can be concluded that your activities exclusively further or advance a purpose described in IRC Section 501(c)(3). Although you have revised the anticipated amount of time you will devote to the design, development, and distribution of D software, this activity serves a substantial non-exempt purpose. Therefore, denial of your request for tax-exempt status is reasonable.

### **Conclusion**

Based on the facts and circumstances presented, you do not qualify for exemption from federal income tax as an organization described in IRC Section 501(c)(3). You are not organized or operated exclusively for exempt purposes as set forth in Section 501(c)(3). By providing research management software to anyone for any purpose, you are operating for a substantial non-exempt purpose. Your operations are not exclusively charitable and resemble those of a trade or business.

### **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 Decision 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](http://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](http://www.taxpayeradvocate.irs.gov) or call 877-777-4778.

Sincerely,

Stephen A. Martin  
Director, Exempt Organizations  
Rulings and Agreements