



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
1100 Commerce Street, MC 4920DAL
Dallas, TX 75242

TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

Release Number: **202221017**
Release Date: 5/27/2022
UIL: **501.03-00**

Date:
January 6, 2021
Taxpayer ID Number:
Form:
Tax Period(s) Ending:
Person to Contact:
Identification Number:
Telephone Number:
Fax Number:

CERTIFIED MAIL - Return Receipt Requested
LAST DAY FOR FILING A PETITION WITH THE TAX COURT;

Dear

This is a final determination that you do not 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), effective January 1, 20 . Your determination letter dated June 11, 20 is revoked.

Our adverse determination as to your exempt status was made for the following reasons.

Organizations described in IRC Section 501(c)(3) of the Code and exempt under Section 501(a) must be both organized and operated exclusively for exempt purposes. You have not demonstrated that you are operated exclusively for charitable, educational, or other exempt purposes within the meaning of 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. You have not established that you have operated exclusively for an exempt purpose.

As such, you failed to meet the requirements of IRC Section 501(c)(3) and Treasury Regulations Section 1.501(c)(3)-1(a), in that you have not established that you were organized and operated exclusively for exempt purposes and that no part of your earnings inured to the benefit of private shareholders or individuals.

Contributions to your organization are no longer deductible under IRC Section 170.

Organizations that are not exempt under IRC Section 501 generally are required to file federal income tax returns and pay tax, where applicable. For further instructions, forms, and information please visit www.irs.gov.

If you decide to contest this determination, you may file an action for declaratory judgment under the provisions of IRC Section 7428 in one of the following three venues: 1) United States Tax Court, 2) the United States Court of Federal Claims, or 3) the United States District Court for the District of Columbia. A petition or complaint in one of these three courts must be filed within 90 days from the date this determination was mailed to you. Please contact the clerk of the appropriate court for rules and the appropriate forms for filing petitions for declaratory judgment by referring to the enclosed Publication 892. You may write to the courts at the following addresses:

United States Tax Court
400 Second Street, NW
Washington, DC 20217

U. S. Court of Federal Claims
717 Madison Place, NW
Washington, DC 20439

U. S. District Court for the District of Columbia
333 Constitution Ave., N.W.
Washington, DC 20001

Processing of income tax returns and assessments of any taxes due will not be delayed if you file a petition for declaratory judgment under IRC Section 7428.

We'll notify the appropriate state officials (as permitted by law) of our determination that you aren't an organization described in IRC Section 501(c)(3).

You may be eligible for help from the Taxpayer Advocate Service (TAS). 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 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 1-877-777-4778.

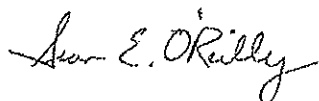
Taxpayer Advocate assistance can't be used as substitute for established IRS procedures, formal appeals processes, etc. The Taxpayer Advocate is not able to reverse legal or technically correct tax determination, nor extend the time fixed by law that you have to file a petition in Court. The Taxpayer Advocate can, however, see that a tax matter that may not have been resolved through normal channels gets prompt and proper handling.

You can get any of the forms or publications mentioned in this letter by calling 800-TAX-FORM (800-829-3676) or visiting our website at www.irs.gov/forms-pubs.

If you have any questions, you can contact the person listed at the top of this letter.

Sincerely,

Enclosures:
Publication 892



Sean E. O'Reilly
Director, Exempt Organizations Examinations



**Department of the Treasury
Internal Revenue Service
Tax Exempt and Government Entities
Exempt Organizations Examinations**

Date:
December 6, 2019
Taxpayer Identification Number:

Form:

Tax Year(s) Ended:

Person to Contact:

Employee ID:

Telephone:

Fax:

Manager's Contact Information:

Employee ID:

Telephone:

Response Due Date:

CERTIFIED MAIL – Return Receipt Requested

Dear _____ :

Why you're receiving this letter

We enclosed a copy of our audit report, Form 886-A, Explanation of Items, explaining that we propose to revoke your tax-exempt status as an organization described in Internal Revenue Code (IRC) Section 501(c)(3).

If you agree

If you haven't already, please sign the enclosed Form 6018, Consent to Proposed Action, and return it to the contact person shown at the top of this letter. We'll issue a final adverse letter determining that you aren't an organization described in IRC Section 501(c)(3) for the periods above.

After we issue the final adverse determination letter, we'll announce that your organization is no longer eligible to receive tax deductible contributions under IRC Section 170.

If you disagree

1. Request a meeting or telephone conference with the manager shown at the top of this letter.
2. Send any information you want us to consider.
3. File a protest with the IRS Appeals Office. If you request a meeting with the manager or send additional information as stated in 1 and 2, above, you'll still be able to file a protest with IRS Appeals Office after the meeting or after we consider the information.

The IRS Appeals Office is independent of the Exempt Organizations division and resolves most disputes informally. If you file a protest, the auditing agent may ask you to sign a consent to extend the period of limitations for assessing tax. This is to allow the

IRS Appeals Office enough time to consider your case. For your protest to be valid, it must contain certain specific information, including a statement of the facts, applicable law, and arguments in support of your position. For specific information needed for a valid protest, refer to Publication 892, How to Appeal an IRS Determination on Tax-Exempt Status.

Fast Track Mediation (FTM) referred to in Publication 3498, The Examination Process, generally doesn't apply now that we've issued this letter.

4. Request technical advice from the Office of Associate Chief Counsel (Tax Exempt Government Entities) if you feel the issue hasn't been addressed in published precedent or has been treated inconsistently by the IRS.

If you're considering requesting technical advice, contact the person shown at the top of this letter. If you disagree with the technical advice decision, you will be able to appeal to the IRS Appeals Office, as explained above. A decision made in a technical advice memorandum, however, generally is final and binding on Appeals.

If we don't hear from you

If you don't respond to this proposal within 30 calendar days from the date of this letter, we'll issue a final adverse determination letter.

Contacting the Taxpayer Advocate Office is a taxpayer right

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 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.

For additional information

You can get any of 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 shown at the top of this letter.

Sincerely,

For Maria Hooke
Director, Exempt Organizations
Examinations

Enclosures:
Form 6018
Form 4621-A
Form 886-A
Publication 892
Publication 3498

Form 886-A (Rev. January 1994)	Revised report. This report supersedes report dated EXPLANATIONS OF ITEMS	Schedule number or exhibit
Name of taxpayer	Tax Identification Number	Year/Period ended

ISSUE:

- (1) Whether _____ is operated as a §501(c)(3) public charity.
- (2) Whether _____ is granted relief under IRC §7805(b) for all taxable years up until the issuance of a letter revoking its exempt status under §501(c)(3).

FACTS:

_____ () was granted exempt status under IRC 501(c)(3) in 20xx. It is further defined as a 509(a)(2) public charity _____ was established in 20xx

_____ is organized as a non-profit corporation under Chapter 504 of the Code of _____. _____ was not created at the instruction of any state or municipality nor was it created pursuant to a state statute.

_____ is the successor to a for-profit corporation that performed building code inspection, enforcement and consulting services for various governmental agencies.

Articles of Incorporation state it is organized—

-To lessen the burdens of federal, state and municipal governmental agencies by performing building inspection and evaluation services, lead energy assessment services, zoning consulting services, and building code and other regulatory compliance services which these governmental agencies would otherwise be required to perform themselves

-To serve as the required Building Official according to the International Code Council on behalf of the State of _____ and its various cities and municipalities on select construction projects

-To promote the health, safety and social welfare of the public by assisting governmental agencies in ensuring that building codes and zoning ordinances are followed during periods of new building construction and renovations, and in ensuring that hazardous building materials are handled in a safe manner

-To provide education and training to employees of various governmental agencies, schools and other non-profit organizations, and interested members of the general public on topics related to safe building construction and renovation practices, energy efficiency, low-income housing, and compliance with federal, state, and local laws governing construction practices

-To provide disaster recovery services in cooperation with federal, state and municipal governmental agencies

-To perform any and all acts which are proper for an organization exempt from tax under Section 501(a) of the IRC, and are reasonably necessary to accomplish its exempt purpose.

The Articles include provisions on private inurement and dissolution—

-No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to,

Form 886-A (Rev. January 1994)	Revised report. This report supersedes report dated EXPLANATIONS OF ITEMS	Schedule number or exhibit
Name of taxpayer	Tax Identification Number	Year/Period ended

its members, directors, officers or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purpose set forth in Article IV hereof. No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting, to influence legislation, and the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of any candidate for public office.

-Notwithstanding any other provisions of these Articles, the Corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986 (or corresponding provision of any future United States Internal Revenue Law); or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1986 (or corresponding provision of any future United States Internal Revenue Law).

-Upon the dissolution of the Corporation, the Board of Directors shall, after paying or making provision for the payment of all the liabilities of the Corporation, dispose of all of the assets of the Corporation exclusively for the purposes of the Corporation to such one or more organization or organizations organized and operated exclusively for charitable, educational, religious, or scientific purposes as shall at the time qualify as an exempt organization or organizations under Section 501(c)(3) of the Internal Revenue code of 1986 (or corresponding provision of any future United States Internal Revenue Law), as the Board of Directors shall determine. Any of such assets not so disposed of shall be disposed of by the District Court of the County in which the principal office of the Corporation is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

Application for Exempt Status:

Form 1023, attachment, and supplemental information on the application provided the following information:

is a successor in interest to a for-profit entity that performed building code inspection, enforcement and consulting for various governmental entities. requested exemption as a 501(c)(3) organization. application included information on the former for-profit entity and the transition to the now, non-profit organization.

The application talked about lessening the burdens of government, interaction with governmental units, and the types of services provides. primary purpose is to lessen burdens of government by performing building code inspection and other essential municipal code compliance services these agencies would otherwise be required to perform themselves.

will conduct educational activities. It conducts on-the-job training and certification tutoring for newly hired building code enforcement staff of clients. It will pursue high school building trade programs, vocational and technical college building programs, to train students to understand, correctly interpret and

Form 886-A (Rev. January 1994)	Revised report. This report supersedes report dated EXPLANATIONS OF ITEMS	Schedule number or exhibit
Name of taxpayer	Tax Identification Number	Year/Period ended

build compliant structures. It will partner with other organizations to provide needed training to building code personnel. will seek out ways to provide city government staff and councils with the information and training they need. It will place special emphasis on smaller cities that may have less opportunity for this kind of training. It will provide training to state and municipal governmental employees and leaders for the purpose of improving or developing their capabilities in performing their job duties.

In addition to its training programs, intends to offer additional educational resources, such as conferences, seminars, webinars, etc. to broadly disseminate its work among schools, other non-profit organizations and the general public.

said its activities are designed to ensure the health and safety of the general public which is the promotion of social welfare.

It believes it also qualifies for exemption under other categories, including the provision of disaster recovery and low-income housing services.

The application disclosed family and business relationships of officers and directors, discussed qualifications and duties of officers, conflict of interest policy, purchase of assets from the former for-profit entity, services to individuals and organizations. anticipated governmental grants would increase and account for a larger portion of revenue over time. It detailed its affiliation with governmental units and close connection with other organizations.

provided a break down of income for a four-year period:

	F/Y/E	F/Y/E	F/Y/E	F/Y/E
Building Code Inspections				
Insulation Audits				
Energy Ratings/Inspections				
Other Inspections				
Rental Inspections	_____	_____	_____	_____
Total:				

Current Activities:

provides residential, commercial and industrial building code enforcement. provides building plan consulting, plan review, inspection, documentation, reports, code/ordinance inquiries, rental inspections, nuisance abatement, commercial pre-sale inspection, code consulting and enforcement. provides services to municipalities in the State of , non-profits and for-profit entities. provides creative and flexible, ongoing and temporary code consulting services to state agencies, local governments and others.

Form 886-A (Rev. January 1994)	Revised report. This report supersedes report dated EXPLANATIONS OF ITEMS	Schedule number or exhibit
Name of taxpayer	Tax Identification Number	Year/Period ended

is affiliated with _____ associations—International Code Council,
, and

is a member of _____ Fire Association, International Association of Electrical Inspectors, and
Construction Code Committee.

The Form 990, Part I, states that _____ is organized to promote the health, safety and welfare of the public and lessen the burdens of the local and state government by performing building code inspections and other essential municipal code compliance and evaluation services.

_____ has contracts with municipalities and other entities located across the state of _____. In general, the contracts state who the agreements are between (_____ as “contractor” and entity as “city, corporation, LLC, etc.”), the date entered into the contract, the services to be provided, compensation, term and termination, relationship of the parties, responsibility, indemnification, and limitation of liability, and miscellaneous provisions. Below are summaries of the contracts detailing the services provided, compensation, and who signed the contract—

City of _____. Services to be provided under this agreement include building, plumbing, mechanical and electrical inspections and documentation on all applicable codes or ordinances as adopted by the City. As part of this services Contract (_____) will:

1. Act as point of contact for City staff, construction project managers, contractors and other regarding building code questions for all assigned inspections.
2. Conduct required inspections. City to provide as much advance notice as possible. Upon a two hour notice from the City, the contractor will coordinate with the City for the same day inspection.
3. Provide an experienced inspector for all inspections.
4. At the request of the City, provide services of inspectors as needed to participate in any administrative appeals or judicial proceedings related to inspections conducted by Contractor under the terms of this agreement.

An hourly rate of \$ _____ per hour will be charged for all project work including all inspections and meeting attendance upon request. This fee includes all mileage costs and answering general inquiries from project team members. Invoices will include documentation with each invoice itemizing tasks performed and time spent on each. Each inspector will be available for up to _____ hours of training per quarter for _____ the regular hourly rate. After that, all training will be billed at the regular hourly rate.

Signed by the Building Official.

(city). Services—upon Client (City) request, perform rental housing inspections to determine compliance with the City of _____ Rental Housing Ordinance and the 20xx International Property Maintenance Code as adopted by the City of _____.

Initial inspection and first inspection in any building: \$ _____
Each additional initial inspection in same building: \$ _____
Rental re-inspection per building: \$ _____

Form 886-A (Rev. January 1994)	Revised report. This report supersedes report dated EXPLANATIONS OF ITEMS	Schedule number or exhibit
Name of taxpayer	Tax Identification Number	Year/Period ended

No signature on copy provided.

City of . Services to be provided under this Agreement include—Code consulting for city staff regarding the building codes as adopted by the City of . Inspection of rental properties based on the 20xx International Property Maintenance Code. Other dues as agreed upon by both parties.

Initial Inspection – each property \$
 Initial inspection in the same building \$
 Reinsertion to check for correction of findings \$

reserves the right to schedule a minimum of rental inspections per day. If less than are scheduled, may reschedule the inspections to another date.

Various Code consultation with City staff \$ monthly

Code inspections, enforcement, consulting services and legal services including court preparation and appearance.

Hourly \$
 Mileage: Current government reimbursement rate
 Expenses: actual costs (receipts provided)

Signed by the Mayor.

City of . Services to be provided under this Agreement include, but are not limited to Building, Electrical, Mechanical, and Plumbing Code Enforcement based on the most recently adopted International Code Council and National Electrical Code in the City's Code of Ordinances. Services include, but are not limited to: Plan and zoning review, inspections and documentation, violation notices, field inquiries, representation of the City in legal proceedings upon request, attending zoning board of adjustment meetings upon request, attend City Council meetings upon request, other code enforcement and consulting services as agreed upon by both parties.

Fee Schedule—receives a percentage of the permit fee, anywhere from % to %.

When plans, engineering calculations or specifications are necessary, a plan check fee is required equal to % of the permit fee. Generally, this plan check fee is waived for a conventional one, two and three family residential projects. All other projects normally require the plan check fee in addition to the regular permit fee retains % of the plan check fee.

Other code enforcement, consulting services and legal services including court preparation and appearances—

For any code enforcement, consulting or miscellaneous services provided that are not covered by a permit fee, the following rates plus expenses apply:

Hourly: \$
 Mileage: Current government reimbursement rate
 Expenses: actual costs (receipts provided)

Form 886-A (Rev. January 1994)	Revised report. This report supersedes report dated EXPLANATIONS OF ITEMS	Schedule number or exhibit
Name of taxpayer	Tax Identification Number	Year/Period ended

Signed by the Mayor.

_____ a not-for-profit organization. Services to be provided under this agreement include: Housing Quality Standard inspection and compliance report of each requested rental property unit and common building areas.

Fees—Inspection and report for each unit: \$ _____ .

Signed by the CEO.

City of _____. Services to be provided under this Agreement include, but are not limited to Building, Electrical, Mechanical, and Plumbing Code Enforcement based on the most recently adopted International Code Council and National Electrical Code in the City's Code of Ordinances. Services include, but are not limited to: Plan and zoning review, inspections and documentation, violation notices, field inquiries, representation of the City in legal proceedings upon request, attending zoning board of adjustment meetings upon request, attend City Council meetings upon request, other code enforcement and consulting services as agreed upon by both parties.

Fee Schedule—receives a percentage of the permit fee, anywhere from _____ % to _____ %.

When plans, engineering calculations or specifications are necessary, a plan check fee is required equal to _____ % of the permit fee. Generally, this plan check fee is waived for a conventional one, two and three family residential projects. All other projects normally require the plan check fee in addition to the regular permit fee. _____ retains _____ % of the plan check fee.

Other code enforcement, consulting services and legal services including court preparation and appearances—
For any code enforcement, consulting or miscellaneous services provided that are not covered by a permit fee, the following rates plus expenses apply:
Hourly: \$ _____ Daily: \$ _____
Mileage: Current government reimbursement rate
Expenses: actual costs (receipts provided)

Signed by the Mayor.

_____ Services to be provided under this Agreement include: Building code consulting and plan review.

Fee Schedule:
Hourly rate: \$ _____ not to exceed _____ hours
Mileage: Current government reimbursement rate
Other expenses: actual costs (receipts provided)

Signed by the Executive Vice President.

Form 886-A (Rev. January 1994)	Revised report. This report supersedes report dated EXPLANATIONS OF ITEMS	Schedule number or exhibit
Name of taxpayer	Tax Identification Number	Year/Period ended

. Services to be provided under this Agreement include:
 Insulation inspections ... Contractor () will provide updated checklist and completion spreadsheet to Client upon completion of each inspection. Deficiencies will be noted verbally with the on-site representative and documented on the completion spreadsheet. Contractor shall file completed, signed checklist for Client with the City of . . . for purposes of meeting the City of Energy Code compliance requirements.

Fee schedule.
 Each inspection per trip: \$
 Other assistance as agreed upon by both parties: \$ per hour

Signed by Agent.

City of . Services to be provided under this Agreement include, but are not limited to Building, Electrical, Mechanical, and Plumbing Code Enforcement based on the most recently adopted International Code Council and National Electrical Code in the City's Code of Ordinances. Services include, but are not limited to: Plan review, pre-construction and construction project meetings upon request, inspections and documentation, field code inquiries from project team, representation of the City in legal proceedings upon request, attend City Council meetings upon request, other code enforcement and consulting services as agreed upon by both parties.

Fee Schedule—receives a percentage of the permit fee, anywhere from % to %.

When plans, engineering calculations or specifications are necessary, a plan check fee is required equal to % of the permit fee. Generally, this plan check fee is waived for a conventional , and family residential projects. All other projects normally require the plan check fee in addition to the regular permit fee. retains % of the plan check fee.

Other code enforcement, consulting services and legal services including court preparation and appearances—
 For any code enforcement, consulting or miscellaneous services provided that are not covered by a permit fee, the following rates plus expenses apply:
 Hourly: \$
 Mileage: Current government reimbursement rate
 Expenses: actual costs (receipts provided)

Signed by the Mayor.

City of . Services to be provided under this Agreement include, but are not limited to Building, Electrical, Mechanical, and Plumbing Code Enforcement based on the most recently adopted International Code Council and National Electrical Code in the City's Code of Ordinances. Services include, but are not limited to: Plan and zoning review, inspections and documentation, violation notices, field inquiries, representation of the City in legal proceedings upon request, attending zoning board of adjustment

Form 886-A (Rev. January 1994)	Revised report. This report supersedes report dated EXPLANATIONS OF ITEMS	Schedule number or exhibit
Name of taxpayer	Tax Identification Number	Year/Period ended

meetings upon request, attend City Council meetings upon request, other code enforcement and consulting services as agreed upon by both parties.

Fee Schedule—receives a percentage of the permit fee, anywhere from % to %.

When plans, engineering calculations or specifications are necessary, a plan check fee is required equal to % of the permit fee. Generally, this plan check fee is waived for a conventional , and family residential projects. All other projects normally require the plan check fee in addition to the regular permit fee. retains % of the plan check fee.

Other code enforcement, consulting services and legal services including court preparation and appearances—
For any code enforcement, consulting or miscellaneous services provided that are not covered by a permit fee, the following rates plus expenses apply:
Hourly: \$
Mileage: Current government reimbursement rate
Expenses: actual costs (receipts provided)

Agreement approved by the City Council and signed by the Mayor.

City of . Services to be provided under this Agreement include, but are not limited to Building, Electrical, Mechanical, and Plumbing Code Enforcement based on the most recently adopted International Code Council and National Electrical Code in the City's Code of Ordinances. Services include plan review, inspections and documentation, violation notices, other services as may be agreed upon by both parties.

Fee Schedule—receives a percentage of the permit fee, anywhere from % to %.

When plans, engineering calculations or specifications are necessary, a plan check fee is required equal to % of the permit fee. Generally, this plan check fee is waived for a conventional , and family residential projects. All other projects normally require the plan check fee in addition to the regular permit fee. retains % of the plan check fee.

Permit fee for setting a manufactured home is \$. retains % of this fee.

Other code enforcement, consulting services and legal services including court preparation and appearances—
For any code enforcement, consulting or miscellaneous services provided that are not covered by a permit fee, the following rates plus expenses apply:
Hourly: \$
Mileage: Current government reimbursement rate
Expenses: actual costs (receipts provided)

Signed by the Mayor.

Form 886-A (Rev. January 1994)	Revised report. This report supersedes report dated EXPLANATIONS OF ITEMS	Schedule number or exhibit
Name of taxpayer	Tax Identification Number	Year/Period ended

. Services to be provided under this Agreement include Perform building code inspections upon Client's request.

Fee Schedule:

Each inspection \$

Mileage fee may apply to inspections more than miles from office at current IRS reimbursement rate.

Signed by Project Manager.

City of . Services to be provided under this Agreement include, but are not limited to Building, Electrical, Mechanical, and Plumbing Code Enforcement based on the most recently adopted International Code Council and National Electrical Code in the City's Code of Ordinances. Services include, but are not limited to: Plan and zoning review, inspections and documentation, violation notices, field inquiries, representation of the City in legal proceedings upon request, attending zoning board of adjustment meetings upon request, attend City Council meetings upon request, other code enforcement and consulting services as agreed upon by both parties.

Fee Schedule—receives a percentage of the permit fee, %.

When plans, engineering calculations or specifications are necessary, a plan check fee is required equal to % of the permit fee. Generally, this plan check fee is waived for a conventional, and family residential projects. All other projects normally require the plan check fee in addition to the regular permit fee. retains % of the plan check fee.

Other code enforcement, consulting services and legal services including court preparation and appearances—

For any code enforcement, consulting or miscellaneous services provided that are not covered by a permit fee, the following rates plus expenses apply:

Hourly: \$

Mileage: Current government reimbursement rate

Expenses: actual costs (receipts provided)

Signed by the Mayor.

City of . Services to be provided under this Agreement include, but are not limited to Building, Electrical, Mechanical, and Plumbing Code Enforcement based on the most recently adopted International Code Council and National Electrical Code in the City's Code of Ordinances. Services include, but are not limited to. Plan and zoning review, inspections and documentation, violation notices, field inquiries, representation of the City in legal proceedings upon request, attending zoning board of adjustment meetings upon request, attend City Council meetings upon request, other code enforcement and consulting services as agreed upon by both parties.

Fee Schedule—receives a percentage of the permit fee, the surplus over the City's share, or in some cases % of the fee amount.

Form 886-A (Rev. January 1994)	Revised report. This report supersedes report dated EXPLANATIONS OF ITEMS	Schedule number or exhibit
Name of taxpayer	Tax Identification Number	Year/Period ended

When plans, engineering calculations or specifications are necessary, a plan check fee is required equal to % of the permit fee. Generally, this plan check fee is waived for a conventional , and family residential projects. All other projects normally require the plan check fee in addition to the regular permit fee. retains % of the plan check fee.

Other code enforcement, consulting services and legal services including court preparation and appearances—
 For any code enforcement, consulting or miscellaneous services provided that are not covered by a permit fee, the following rates plus expenses apply:
 Hourly: \$
 Mileage: Current government reimbursement rate
 Expenses: actual costs (receipts provided)

Signed by City Administrator/Clerk.

City of . Services to be provided under this Agreement include, but are not limited to Building, Electrical, Mechanical, and Plumbing Code Enforcement based on the most recently adopted International Code Council and National Electrical Code in the City's Code of Ordinances. Services include, but are not limited to: Plan and zoning review, inspections and documentation, violation notices, field inquiries, representation of the City in legal proceedings upon request, attending zoning board of adjustment meetings upon request, attend City Council meetings upon request, other code enforcement and consulting services as agreed upon by both parties.

Fee Schedule—receives a percentage of the permit fee, anywhere from % to %.

When plans, engineering calculations or specifications are necessary, a plan check fee is required equal to % of the permit fee. Generally, this plan check fee is waived for a conventional , and family residential projects. All other projects normally require the plan check fee in addition to the regular permit fee. retains % of the plan check fee.

Other code enforcement, consulting services and legal services including court preparation and appearances—
 For any code enforcement, consulting or miscellaneous services provided that are not covered by a permit fee, the following rates plus expenses apply:
 Hourly: \$
 Mileage: Current government reimbursement rate
 Expenses: actual costs (receipts provided)

Agreement approved by the City Council and signed by the Mayor.

City of . Services to be provided under this Agreement include: Code enforcement of building codes and ordinances as adopted by the City: Plan review, inspections and documentation, violation notices and enforcement

Form 886-A (Rev. January 1994)	Revised report. This report supersedes report dated EXPLANATIONS OF ITEMS	Schedule number or exhibit
Name of taxpayer	Tax Identification Number	Year/Period ended

Fee Schedule—code inspections, enforcement, consulting services including court preparation and appearances:

Hourly: \$

Mileage: Current government reimbursement rate

Expenses: actual costs (receipts provided)

Signed by the Director of

City of . Services to be provided under this Agreement include. Building code inspection and plan review based on codes and ordinances currently adopted by the Client upon request. Other building code services agreed upon by both parties.

Fee Schedule:

Hourly: \$

Mileage: Current government reimbursement rate

Expenses: actual costs (receipts provided)

Signed by the Chief Building Official.

City of .

The attachment showing services and fees was not included with the contract provided.

Signed by Planning & Zoning Director

City of . Services to be provided under this Agreement include: Electrical code enforcement of electrical codes and ordinances as adopted by the City: Inspections and documentation, inquiries from City staff and contractors regarding electrical code. Other consulting services upon request.

Fee schedule:

Electrical Inspection: \$

All other code inspections, enforcement, consulting services and legal services including court preparation and appearances.

Hourly: \$

Mileage: Current government reimbursement rate

Expenses: Actual costs (receipts provided)

Signed by the Mayor.

City of .

The attachment showing services and fees was not included with the contract provided.

Signed by City Administrator.

Form 886-A (Rev. January 1994)	Revised report. This report supersedes report dated EXPLANATIONS OF ITEMS	Schedule number or exhibit
Name of taxpayer	Tax Identification Number	Year/Period ended

City of . Services to be provided under this Agreement include, but are not limited to Building, Electrical, Mechanical, and Plumbing Code Enforcement based on the most recently adopted International Code Council and National Electrical Code in the City's Code of Ordinances. Services include, but are not limited to: Plan and zoning review, inspections and documentation, violation notices, field inquiries, representation of the City in legal proceedings upon request, attending zoning board of adjustment meetings upon request, attend City Council meetings upon request, other code enforcement and consulting services as agreed upon by both parties.

Fee Schedule—receives a percentage of the permit fee, anywhere from % to %.

When plans, engineering calculations or specifications are necessary, a plan check fee is required equal to % of the permit fee. Generally, this plan check fee is waived for a conventional , and family residential projects. All other projects normally require the plan check fee in addition to the regular permit fee. retains % of the plan check fee.

Other code enforcement, consulting services and legal services including court preparation and appearances—

For any code enforcement, consulting or miscellaneous services provided that are not covered by a permit fee, the following rates plus expenses apply:

Hourly: \$

Mileage: Current government reimbursement rate

Expenses: actual costs (receipts provided)

Signed by Mayor Pro-Tem.

City of .

The attachment showing services and fees was not included with the contract provided.

Signed by Mayor Pro-Tem.

Services to be provided under this Agreement include: building code consulting and plan review

Fees:

Hourly rate: \$

Mileage: Current government reimbursement rate

Other expenses: Actual costs (receipts provided)

Signed by the President.

City of . Services to be provided under this Agreement include, but are not limited to Building, Electrical, Mechanical, and Plumbing Code Enforcement based on the most recently adopted International Code Council and National Electrical Code in the City's Code of Ordinances. Services include, but are not

Form 886-A (Rev. January 1994)	Revised report. This report supersedes report dated	Schedule number or exhibit
EXPLANATIONS OF ITEMS		
Name of taxpayer	Tax Identification Number	Year/Period ended

limited to: Plan and zoning review, inspections and documentation, violation notices, field inquiries, representation of the City in legal proceedings upon request, attending zoning board of adjustment meetings upon request, attend City Council meetings upon request, other code enforcement and consulting services as agreed upon by both parties.

Fee Schedule—receives a percentage of the permit fee, anywhere from % to %.

When plans, engineering calculations or specifications are necessary, a plan check fee is required equal to % of the permit fee. Generally, this plan check fee is waived for a conventional, and family residential projects. All other projects normally require the plan check fee in addition to the regular permit fee. retains % of the plan check fee.

Other code enforcement, consulting services and legal services including court preparation and appearances—

For any code enforcement, consulting or miscellaneous services provided that are not covered by a permit fee, the following rates plus expenses apply:

Hourly: \$

Mileage: Current government reimbursement rate

Expenses: actual costs (receipts provided)

Signed by the Mayor.

. Services to be provided under this Agreement include: building code consulting and plan review.

Fee schedule:

Hourly rate: \$

Mileage: current government reimbursement rate

Other expenses: actual costs (receipts provided)

Signed by the President.

. Services: Draw inspections and reports upon request. agrees to provide documents necessary for duration of each project.

Fee schedule:

Each draw inspection and report: \$ | mileage reimbursed at the current rate.

Signed by

City of . Services to be provided under this Agreement include: Building Code Enforcement of International Code and/or city ordinances—plan review, inspections and documentation, violation notices. Property maintenance assistance will be provided to the city based on the International Property Maintenance Code and/or any applicable city ordinances—investigation/inspection documentation, report provided to city attorney for filing and enforcement. Rental Housing Enforcement of

Form 886-A (Rev. January 1994)	Revised report. This report supersedes report dated EXPLANATIONS OF ITEMS	Schedule number or exhibit
Name of taxpayer	Tax Identification Number	Year/Period ended

Property Maintenance Code and/or the Cities Rental Housing Ordinance—Inspections and documentations, issue certificates and/or permits, violation notices. Other services as agreed upon by both parties.

Fee Schedule— receives a percentage of the permit fee, anywhere from % to %.

When plans, engineering calculations or specifications are necessary, a plan check fee is required equal to % of the permit fee. Generally, this plan check fee is waived for a conventional, and family residential projects. All other projects normally require the plan check fee in addition to the regular permit fee. retains % of the plan check fee.

Rental Housing Inspections—

Initial Inspection: \$ (reserves the right to require a minimum of inspections scheduled per trip)

Re-inspection: \$ (to check for corrections identified in initial inspection)

Other code enforcement, consulting services and legal services including court preparation and appearances—

For any code enforcement, consulting or miscellaneous services provided that are not covered by a permit fee, the following rates plus expenses apply:

Hourly: \$

Mileage: Current government reimbursement rate

Expenses: actual costs (receipts provided)

Signed by the Mayor.

In general, the above contracts state that reserves the right to cease providing services at any time due to Client's failure to make timely payment.

Finance Authority—Contract for Professional Services for Physical Inspections of Multi-Family Rental Projects between and

The parties of entered into this Contract for the purpose of retaining the Contractor to provide Physical Site Inspections of Multi-Family Rental Projects as Described in Exhibit A, Statement of Work and Budget.

The contract and Schedule A detail the work to be done and fees. In general, for routine physical inspections, the rate for physical inspections is \$ per unit. estimates the number of unites to be inspected during the term of the contract is The estimated value of the contract is \$ The rate for other inspections is \$ per unit. The rate for a capital needs assessment will be \$ per report.

was selected to fulfill this role by responding to a Request for Proposal process initiated by the Finance Authority.

acts as a backup/substitute for cities who's building official is out of the office or if the city is temporarily without a building official. will fill in until City hires someone new/the individual returns.

Form 886-A (Rev. January 1994)	Revised report. This report supersedes report dated EXPLANATIONS OF ITEMS	Schedule number or exhibit
Name of taxpayer	Tax Identification Number	Year/Period ended

will train City employees/inspectors. is available to answer questions from citizens, contactors, City staff and others.

When asked, inspects rentals for other communities and provides a report to the City regarding codes, minimum safety standards for tenants, etc. When asked, also works with communities to give reports on buildings, vacant/abandoned properties, etc. The reports are not provided to the public by ; provides the report to the individual/governmental department that asked it to perform the service.

There is no provision that the city/entity can't go elsewhere for the services, even though a contract exists with . If the city decides not to send the work to to be completed (and sends it to someone else or completes the work itself) then doesn't do the work (or get paid). is paid on a job by job basis, as provided in the contracts. In a verbal discussion with the current Vice President, city's building officials can contract out to anyone to perform an inspection.

Minutes of the Meetings:

The minutes from board of director's meetings from 20xx through 20xx provide the following items:

- Discussion of creating a brochure "that can be used to help cities, state agencies and others understand the building safety assistance that is able to provide".
- Various mentioning's of reaching out to cities regarding building code and inspection assistance from .
- " appear to be putting together a building code services department. Their representative has been contacting communities to solicit business. and have been having conversations with city leaders to answer questions and gauge interest. The board agreed that provides an excellent resource to cities and other government agencies with highly certified and experienced staff. A suggestion was made to put together comparison of experience between and to show our cities and potential clients if questions come up."
- A summer marketing intern will start May "She will assist with a more strategic and consistent approach to social media and other communications to current and future clients"
- plans to participate in the annual Conference "We will focus on awareness of as an alternative to the State of for electrical inspections, large project plan review and inspection and vacation/sick leave coverage. We will continue to educate cities that we can be a resource even to those who already have an inspection department. Building can also help with peak season workload so cities don't have to hire employees that are expensive to maintain."
- "A list of target cities has been developed for contact to inform cities about and how we can be a resource for community building safety "
- "The City of is looking for an as-needed, back-up inspector. Since helped train the current inspector/now Building Official after he was hired, expects to be given consideration."
- Work on the rental housing program for continues. Several draft documents were provided to the City for review.
- " with the city of referred the city of to us for help with zoning compliance. We are proposing to provide remote zoning review assistance to the City on an as needed basis."
- "A service agreement was executed with the city of for zoning plan review."

Form 886-A (Rev. January 1994)	Revised report. This report supersedes report dated EXPLANATIONS OF ITEMS	Schedule number or exhibit
Name of taxpayer	Tax Identification Number	Year/Period ended

- “A letter was sent to area banks informing them of the draw inspection services available from _____.”
- “_____ decided to go with _____ for their back up inspector. The City already has engineering services with the organization and was given a package deal that they accepted.”
- The City of _____ is interested in a proposal from _____ to provide bi-annual rental inspection for the _____ rental properties in the City. ...
- The City of _____ is interested in adding an overall property maintenance program in the City, in addition to the rental program that is already being developed.
- The City of _____ has once again requested assistance from _____ to help with mechanical and plumbing inspections to cover vacations and sick leave for their current inspector and help with peak workloads. An updated service agreement will be executed.
- A service agreement was executed with the City of _____ for providing as needed mechanical and plumbing inspections.
- The cities of _____ and _____ have terminated services with _____. Both have indicated they will move their building code assistance to _____.
- the cities of _____ and _____ are interested in electrical inspections with _____ “as a result of receiving the mailing _____ sent out raising awareness that this assistance was available.”
- A service agreement was executed with the City of _____ for providing zoning plan review.
- A service agreement was executed with the City of _____ for help with electrical inspections, since their building inspector is not certified.
- The city of _____ is requesting assistance with building code enforcement.
- A presentation was made to the city of _____ for building code enforcement assistance.

Income:

In 20xx, _____ earned income from the following sources—

City Code Inspections \$
State Code Inspections \$
Commercial Inspection \$
Rental Inspections \$
Other Inspections \$
Insulation Audit \$

During the Appeals process _____ submitted a Request for Relief under Section 7805(b) in accordance with Revenue Procedure 2019-5. _____ believes its application for exemption accurately described its activities and its activities have not changed.

LAW:

IRC 501(a) provides an organization described in IRC 501(c) shall be exempt from taxation unless such exemption is denied

IRC 501(c)(3) provides for exemption—organized and operated exclusively for religion, charitable, scientific, testing for public safety, literary, or educational purposes...no part of the net earns inure to the

Form 886-A (Rev. January 1994)	Revised report. This report supersedes report dated EXPLANATIONS OF ITEMS	Schedule number or exhibit
Name of taxpayer	Tax Identification Number	Year/Period ended

benefit of any private shareholder or individual, no substantial part of the activities of which is carrying on propaganda, otherwise attempting, to influence legislation, and which does not participate in, or intervene in, any political campaign on behalf of (or in opposition to) any candidate for public office.

Section 509(a)(2) of the Internal Revenue Code describes an organization that receives not more than one-third of its support from gross investment income and more than one-third of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions.

Treasury Regulation 1.501(c)(3)-1(d)(2) provides the term "charitable" includes "lessening the burdens of government."

Treasury Regulation 1.501(c)(3)-1(d)(3) provides the term educational, as used in section 501(c)(3) relates to—

- (a) the instruction or training of the individual for the purpose of improving or developing his capabilities;
- or (b) the instruction of the public on subjects useful to the individual and beneficial to the community.

Treasury Regulation 1.501(c)(3)-1(d)(4) provides the definition of testing for public safety, as used in Section 501(c)(3), includes the testing of consumer products, such as electrical products, to determine if they are safe for use by the general public.

Revenue Ruling 85-1 holds that lessening the burdens of government occurs only if the governmental unit formally recognizes the activities of the organization to be its burden. This objective manifestation may be evident in the interrelationship between the organization and the governmental unit.

Revenue Ruling 85-2 sets forth two requirements for an organization to qualify for exemption under IRC 501(c)(3) by lessening the burdens of government. These requirements are:

1. An organization's activities must be activities that a governmental unit considers to be its burdens, and
2. The activities of the organization must actually lessen such governmental burdens.

Revenue Ruling 65-61 held that an organization engaged in establishing safety standards for pleasure boats, and testing boats and boating equipment for safety is exempt under IRC 501(c)(3).

Indiana Crop Improvement Association, Inc. v Commissioner, 76 T.C. 392 (1981), the organization was the official seed certifying agency for the State of Indiana and conducted a seed certification program pursuant to the delegation of authority by the state legislature. The Tax Court found that as the official seed certifying agency for the state, the organization directly assisted the United States Department of Agriculture in enforcing the standards and procedures established under federal statute. Thus, the Tax Court found that the organization lessened the burden of the government.

Columbia Park & Recreation Assn. v. Commissioner, 88 T.C. 1 (1987), the tax court held that the mere assertion that, in petitioner's absence, government would have had to assume the activities in question did not mean the activities were, in fact, the burdens of government.

TAXPAYER'S POSITION:

Form 886-A (Rev. January 1994)	Revised report. This report supersedes report dated EXPLANATIONS OF ITEMS	Schedule number or exhibit
Name of taxpayer	Tax Identification Number	Year/Period ended

was issued a draft report on May 15, 20xx proposing revocation.

does not agree with the draft report.

provided the following information in its position (using 20xx tax year as an example)

- % of its revenues is from cities and (a state agency)
- of revenues is from the City of (payments made by individual landlords)
- % of revenues is from a non-profit organization
- % of revenues is from for-profit entities

asserts its Exemption Application provided a succinct description of its activities consistent with the purposes set forth in Articles of Incorporation. states it interacts with and lessens the burdens of state and local governments, provides training and other educational activities to or for the benefit of state and local governments, promotes health and social welfare by its programmatic services, and provides relief of the poor and distressed through assistance to and similar nonprofit organizations.

states that draft report appears to focus on the fact that assists governmental constituents on a fee-for-service basis and sites authority for the proposition that providing services for governments is not inherently lessening the burdens of government. states that this conclusion presumes that services are provided at market rate and that its only operations are fee-for-service activities. does not agree with this conclusion.

states that the draft report's only evidence of operating at for-profit rates is an internal comparison of governmental and nongovernmental contracts. asserts that most of the nongovernmental contracts are directly related to other governmental relationships, and represent a de minimis portion of activities. Therefore, states its reasonable that there is no separate fee structure for different types of organizations. goes on to state that because direct activities with governments and other entities are not identical in nature or scope, it would seem difficult to do a direct comparison.

states "Clearly, as an organization reliant upon program service revenue for its continuation, must charge an appropriate fee for its programmatic services". asserts that it entered into its governmental contracts in a manner that provides reasonable process of its charged services. These fees represent a substantial cost savings to governments who contract with both by eliminating or reducing the number of required government employees who would be necessary to fill this function and by providing broad-ranging expertise that simply would not be possible for smaller municipalities to hire. Put simply, states their organization provides low-cost and discounted contract services to state and local governments and has, on a minimal basis, provided related services to other programs.

asserts other services are provided to state and local governments without charge. For example, routinely makes itself available to governments to consult on building and inspection proposed ordinances or ordinance changes. Further, participates in the Building Safety Assessment and Failure Evaluation Team to provide disaster recovery support. has also promoted competency and best practices in the building inspection arena by supporting its employees' and officers' participation in related associations and boards such as the , the

Form 886-A (Rev. January 1994)	Revised report. This report supersedes report dated EXPLANATIONS OF ITEMS	Schedule number or exhibit
Name of taxpayer	Tax Identification Number	Year/Period ended

, and the

asserts it does lessen the burdens of government. It serves as the governmental "Building Official" to inspect buildings and provide related services on behalf of governmental entities. currently contracts to provide these services to over municipal governments in the state of as well as the , a state agency created and governed by Chapter of the Code. Traditionally, each municipality would have been required to employ individuals to perform these code inspections. , instead, is able to offer these services to smaller governments at a discount, providing substantial cost-savings.

sites Revenue Ruling 70-583, PLR 200724034, and PLR 200739012 as similar to In that fees were charged by the organization yet it still lessened the burdens of government.

sites *Indiana Crop Improvement Association, Inc. v Commissioner, 76 T.C. 392 (1981)*. asserts a specific delegation is sometimes noted in existing cases and rulings, it is unaware of any controlling precedent that makes such a specific delegation a necessary component of "lessening the burdens of government". asserts that most of governmental clients only use for these services, therefore creating a de facto delegation.

asserts the draft report ignores the other ways in which lessens the burdens of government by only focusing on fee-based services. asserts it provides substantial consultation and educational services to governments without charge. states that lack of formal training program does not mean that is not organized for educational purposes and sites Revenue Ruling 76-418. states it consults with and educates local governments, provides city governments with education on the latest developments in building codes and safety standards, and educates residents, city, staff, and permit applicants by answering questions without charge, and conducts trainings at local educational institutions including the Community School District and Community College.

asserts its proposed activities were well documented in its Exemption Application and the activities have not changed states that perhaps the IRS did not give sufficient consideration to the Application but that is not sufficient reason to propose to revoke exemption.

Lastly, provides the name and EIN of an organization that provide similar functions around the country under similar exemption authority.

believes that the documents submitted throughout the examinations and appeals process supports a determination that it has been operated consistent with the requirements of IRC 501(c)(3). However, to the extent the IRS determines otherwise, requested relief under IRC 7805(b).

GOVERNMENT'S POSITION:

(1) Whether is operated as a §501(c)(3) public charity.

fails to meet the operational test of IRC 501(c)(3) because it isn't lessening the burdens of government. It isn't operated for educational purposes or testing for public safety.

Form 886-A (Rev. January 1994)	Revised report. This report supersedes report dated EXPLANATIONS OF ITEMS	Schedule number or exhibit
Name of taxpayer	Tax Identification Number	Year/Period ended

Lessening the Burdens of Government:

feels we're saying it's not exempt, in part, because it's charging the same rates to for-profits as it is to governmental and non-profit organizations but that is not the issue.

Whether an organization is lessening the burdens of government is determined by identifying whether an organization is conducting activities that a governmental unit considers to be its burden and whether such activities actually lessen the governmental burden. (Revenue Ruling 85-2).

asserts that it lessens the burden of government. states that it's reliant upon program service revenue for its continuation and must charge an appropriate fee for its services. states that it also provides other services to governmental agencies without charge. Examples include making itself available as consultants, participating in team, and supporting its employees participation in , and

asserts it does lessen the burdens of government by serving as the governmental Building Official and contracts to provide services to over municipal governments as well as to . Because issues these services to smaller governments, instead of the governments having to employ individuals of its own, it is providing substantial cost savings to the governments and therefore lessening the burdens of government.

hasn't shown that it lessens the burdens of government as provided in Revenue Rulings 85-1 and 85-2. Revenue Ruling 85-1 holds that lessening the burdens of government occurs only if the governmental unit formally recognizes the activities of the organization to be its burden. Therefore the first test in the determination of whether an activity lessens the burdens of government is whether the governmental unit considers activities to be the government's burden.

We will assume for purposes of this report, that the granting of building permits and performing inspections does constitute a burden of government. The fact that these activities are a burden of government, however, is not dispositive of the issue. must demonstrate that its activities actually lessen the burdens of government.

was not established by a state or municipal statute. The municipalities and state organization contracts with have no control over activities and they don't provide operating money to . is paid based on "fee for services". Each contract outlines the hourly rate, or percentage of the permit fee receives. The activities conducted by are no different than the activities of other taxable individuals and corporations who conduct inspections, review plans, etc. The various municipalities works with have merely contracted with for to do the work. Much like a municipality could contract with an accounting firm to handle the bookkeeping. The municipalities can contract with anyone to do the work. is paid based on specific fees for services, as outlined in the contracts, doesn't receive general funding from the cities, and isn't controlled by the municipalities. The relationship between and the governments is more in nature of a commercial contract for services as opposed to lessening of a governmental burden. Further, doesn't solely work with municipalities. has contracts with other non-profit and for-profit entities and work all over the state of , not just

Form 886-A (Rev. January 1994)	Revised report. This report supersedes report dated EXPLANATIONS OF ITEMS	Schedule number or exhibit
Name of taxpayer	Tax Identification Number	Year/Period ended

for a specific municipality or county. charges similar amounts whether it's performing services for a municipality or for-profit entity.

differs from the organization in Revenue Ruling 85-2 because the only support received by the organization from the governmental unit in the Ruling was in the form of grants to the organization for general support and not in the form of fees for services. is compensated by the government for the services it performs. For each permit issued, it receives a certain percentage of the permit fee. For other services provided, receives a certain hourly rate. The fact that is paid by the government for the services it performs, augments the argument that is merely performing under a contract for services and is not engaged in activities that actually lessen the burdens of government.

is distinguishable from the organization in *Indiana*. is compensated for its services by the municipalities. Since the governmental entities are paying for the services it receives from , is no different than any other organization providing services for hire. Furthermore, isn't the only entity that can perform these services for the communities contracts with. The municipalities can contract with anyone it wants. And even though the municipalities have contracts with , the municipalities can choose to perform the work itself or contract with another 3rd party. If doesn't do the work, doesn't get paid. In *Indiana* the organization was officially designated by the state to perform its operations. In this case, there are no state statutes, and the municipalities are free to contract with any entity to perform the work. The contract with the state organization had to respond and be selected after responding to a request for Proposal that was initiated by the ; was not specifically designated. There's a difference between a specific delegation of authority to a single entity, which was the case in *Indiana*, and the mere allowance by the state or municipality of any individual or corporation to perform, for a fee, a function which may be a burden of the government.

The minutes of the board meetings show discussions on: a City that was interested in a proposal from to provide rental inspection services, two cities had terminated services where it was believed the cities were switching to use a for-profit entity for building code needs, contacting cities to inform them of services, reaching out to cities regarding building code and inspection assistance, and executing service agreements with cities. There were also discussions on creating a brochure detailing the services can provide, possibly creating a comparison between and a for-profit entity that show cities and potential clients differences in services and experiences between and the for-profit entity. These discussions show that is operated similar to for-profit entities in that it has to continually find new clients (including governmental entities) because it loses clients (including governmental entities). Two cities terminated its service agreements with and the cities were possibly going to a for-profit entity to fulfill its building code needs. This shows that isn't lessening the burdens of government if the governmental entities are free to go elsewhere for services. Typically, when an organization is lessening the burdens of government, the governmental entity has a close relationship with the organization provided the services and doesn't 'shop around' for other providers.

sites Revenue Ruling 70-583, PLR 200724034 and PLR 200739012 where an organization charged fees yet it was still considered lessening the burdens of government. However differs from the organizations in the Rulings.

Form 886-A (Rev. January 1994)	Revised report. This report supersedes report dated EXPLANATIONS OF ITEMS	Schedule number or exhibit
Name of taxpayer	Tax Identification Number	Year/Period ended

In Revenue Ruling 70-583, the organization received revenue from government contracts, foundation grants, and public contributions. This is different from because earns its revenues based on charging specific amounts for providing specific services. The organization in the Revenue Ruling didn't charge a specific fee or operate in a manner like sending a bill based on a service by service basis; the organization was provided money as part of a contract in addition to receiving grants and general contributions. The money the organization received is similar to a lump sum grant/contract amount and in return for that money the organization is expected to provide the services for the length of the contract. The organization didn't send bills to the government or set up a fee structure based on each service provided whereas does operate in a fee by fee basis.

In the PLRs, the common factor is organizations were created or organized to support specific governmental units, performed services that the government considered its responsibility and thereby lessening it by performing the services on behalf of the governmental unit. The evidence that the organizations were lessening the burdens is illustrated by how the organizations were set up and the close relationship between the organizations and governmental units. In the Rulings, the organizations were acting on behalf of the governmental units. wasn't set up by a governmental entity to specifically perform services for it.

In PLR 200724034 the organization was organized to support one specific federal agency. Congress created a nonprofit that was allowed to use resources of existing nonprofit corporations (the organization in the Ruling) with missions similar to that of the Congress created nonprofit. Prior to the organization's agreement to work with the Congress created nonprofit, it was already performing the services for the federal agency.

In PLR 200739012 state law required a state agency to contract with certain organizations which were required to meet minimum requirements. In the event that the organization didn't meet certain requirements or was failing to provide all services required, the state agency was authorized to operate the organization directly to ensure the requirements of the contract were met. There is a close working relationship between the organization and state agency.

differs from the organizations in the Rulings because is not established by state law or statute. works with various government units, and some for-profit entities. The governmental units have no control over any of activities. reaches out and solicits work from various governmental units. As shown in the minutes, works to spread the word about the services it can provide, compares its services to that of a known for-profit entity that provides similar services, and creates individual contracts with the various governmental agencies.

is not performing a standard service for all of their 'clients'. creates contracts and solicits business and charges a fee based on the services provided. The governmental units contracts with don't provide with general operating money or grants; is paid based on the fee structure outlined in the contracts that creates.

The governmental units that has contracts with are free to go elsewhere for the work. If doesn't get the job, it doesn't get paid. Whereas the organizations in the Rulings may be paid an administrative fee, it is not a fee based on a specific job by job basis.

Form 886-A (Rev. January 1994)	Revised report. This report supersedes report dated EXPLANATIONS OF ITEMS	Schedule number or exhibit
Name of taxpayer	Tax Identification Number	Year/Period ended

is not acting on behalf of the government units; the various governmental units do not recognize as acting on their behalf. As shown in the minutes, some Cities terminated their agreements with which substantiates the relationship of commercial contract for services as opposed to lessening the burdens of government. As shown in *Columbia* it is not enough to say that the organization states that if it didn't provide its services, the governmental units would have to and it would be more costly therefore by providing them, it's lessening the burdens of the government.

must demonstrate that the various governmental units accept the organizations activities as its responsibility and recognize the organization as acting on its behalf and that the activities actually lessen the burden of the government.

Therefore, even though activities may be a burden of government, cannot be said to be actually lessening such burden within the meaning of section 1.501(c)(3)-1(d)(2) of the regulations, Revenue Ruling 85-1, Revenue Ruling 85-2, and *Indiana*.

is not organized because of state law or statute nor is it provided operating money from any governmental units. All the income earns is from fees for services. provides various services relating to building codes, permits and inspections not only to governments but also non-profit and for-profit entities. provides the same services and charges the same fees as it does to the municipalities its serves. has similar contracts with the non-government entities which is just like a fee-for-service, for-profit entity.

is operated like a for-profit entity who charges fees for services; is not operated for charitable purposes as provided in IRC 501(c)(3).

Educational

asserts it provides substantial consultation and education services to governments without charge, provides city governments with education on latest developments in building code and safety standards, educates residents, city, staff, and permit applicants by answering questions without charge, and conducts trainings at local educational institutions. states lack of formal training program doesn't mean it's not organized for educational purposes and cites Revenue Ruling 76-418.

differs from the organization in Revenue Ruling 76-418. The organization in the Ruling receives its income from contributions from the general public, it conducts group lectures and other programs for the community to attend, it distributes pamphlets and brochures free of charge, it is governed by a board of directors that consist of individuals from various segments of the public, and it provides expert advice to government officials for free. The organization provides local governmental officials with free expert opinions regarding the existence of hazardous traffic conductions in their particular communities. The organization conducts for community groups lectures and other programs that are designed to inform the public on how to be an alert and safe driver and pedestrians.

Form 886-A (Rev. January 1994)	Revised report. This report supersedes report dated EXPLANATIONS OF ITEMS	Schedule number or exhibit
Name of taxpayer	Tax Identification Number	Year/Period ended

is not organized for educational purposes. As evidenced in one of the contracts will provide training to City employees, for a fee, when asked to do so. does not hold training sessions that are open to the public, has no formal training program, and does not distribute educational materials regarding building code, inspections, etc. to the general public. The board meeting minutes didn't discuss trainings held with the public, at schools, etc. No activities were noted or documented that show free consultation and question answering occurs on more than a nominal basis. may provide educational information to various governments without charge but any the educational activities conducts are incidental to its overall purpose which is providing specific services for a fee.

isn't operated for educational purposes within the meaning of IRC 501(c)(3).

Testing for public safety

is not organized for testing for public safety. Regulation 1.501(c)(3)-1(d)(4) provides the definition of testing for public safety, as used in Section 501(c)(3), includes the testing of consumer products, such as electrical products, to determine if they are safe for use by the general public.

differs from the organization in Revenue Ruling 65-61. doesn't test consumer products. inspects buildings for code violations, reviews plans, etc. This is not testing consumer products. When writes a report on the building codes, plans, etc. the report is made available to the entity that contracted with to perform the work. does not release results to the public.

operates as a fee-for-services entity where all income is earned from the services provided. is not operated within the meaning of IRC 501(c)(3).

(2) Whether is granted relief under IRC §7805(b) for all taxable years up until the issuance of a letter revoking its exempt status under §501(c)(3).

requested relief from retroactive revocation under IRC 7805(b) In accordance with Rev. Proc. 2019-5.

The Director, EO Examinations exercised discretionary authority and limited the retroactivity of the revocation. has met the criteria of Rev. Proc. 2019-5 and is granted relief under IRC 7805(b).

There have been no changes in relevant tax law and did not omit or misstate any material facts in application for exemption. The activities with which revocation is based on are the same activities that were disclosed on application for exemption. Therefore, revocation of exempt status is effective January 1, 20xx.

Form 886-A (Rev. January 1994)	Revised report. This report supersedes report dated EXPLANATIONS OF ITEMS	Schedule number or exhibit
Name of taxpayer	Tax Identification Number	Year/Period ended

CONCLUSION:

- (1) Whether **is operated as a 501(c)(3) public charity.**
is not operated as a 501(c)(3) public charity.
- (2) Whether **is granted relief under IRC §7805(b) for all**
taxable years up until the issuance of a letter revoking its exempt status under §501(c)(3).
Relief under §7805(b) is granted. Revocation of **exempt status is**
effective January 1, 20xx.