

**Department of the Treasury  
Internal Revenue Service  
Independent Office of Appeals**

Date: **APR 06 2022**

Number: **202226014**  
Release Date: 7/1/2022

Pers on to contact:  
Name:  
Employee ID number:  
Telephone:  
Fax:  
Hours:  
Employer ID number:

Uniform issue list (UIL):  
UIL: 501 .04-07, 501.04-06

**Certified Mail**

Dear \_\_\_\_\_ :

This is a final adverse determination that you do not qualify for exemption from federal income tax under Internal Revenue Code (the "Code") Section 501(a) as an organization described in Section 501(c)(4) of the Code.

We made the adverse determination for the following reasons:

Your organization does not promote the social welfare or provide a community benefit because it does not allow public access.

You're required to file federal income tax returns on Forms 1120, U.S. Corporation Income Tax Return and mail your form to the appropriate Internal Revenue Service Center per the form's instructions. You can get forms and instructions by visiting our website at [www.irs.gov/forms](http://www.irs.gov/forms) or by calling 800-TAX-FORM (800-829-3676).

We'll make this letter and the proposed adverse determination letter available for public inspection under Section 6110 of the Code after deleting certain identifying information. We provided to you, in a separate mailing, Notice 437, Notice of intention to Disclose. Please review the Notice 437 and the documents attached that show our proposed deletions. If you disagree with our proposed deletions, follow the instructions in Notice 437.

If you decide to contest this determination, you can file an action for declaratory judgment under the provisions of Section 7428 of the Code in either:

- The United States Tax Court,
- The United States Court of Federal Claims, or
- The United States District Court for the District of Columbia

You must file a petition or complaint in one of these three courts within 90 days from the date we mailed this determination letter to you. Contact the clerk of the appropriate court for rules and the appropriate forms for filing petitions for declaratory judgment. You can write to the courts at the following addresses:

<b>United States Tax Court</b>	<b>US Court of Federal Claims</b>	<b>US District Court for the District of Columbia</b>
400 Second Street, NW	717 Madison Place, NW	333 Constitution Avenue, NW
Washington, DC 20217	Washington, DC 20005	Washington, DC 20001

Note: We will not delay processing income tax returns and assessing any taxes due even if you file a petition for declaratory judgment under Section 7428 of the Code.

You also have the right to contact 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.irs.gov/ta](http://www.irs.gov/ta) or call 877-777-4778.

TAS assistance is not a substitute for established IRS procedures, such as the formal appeals process. TAS cannot reverse a legally correct tax determination, or extend the time fixed by law that you have to file a petition in a United States Court.

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

Sincerely,

Enclosures:

cc:



Department of the Treasury  
 Internal Revenue Service  
 P.O. Box 2508  
 Cincinnati, OH 45201

Date: 02/02/2021

Employer ID number:

Contact person/ID number:

Contact telephone number:

Contact fax number:

**Legend:**

- B = State
- C = Date
- D = Gated Community
- E = County Real Estate Records
- F = Year
- G = Date
- H = Country Club

**UIC:**

- 501.04-06
- 501.04-07

- u = Number
- v = Number
- w = Number
- x = Number
- y = Number
- z = Number

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

**Facts**

You were formed as a Mutual Benefit Corporation in the State of B on C. You have been filing Form 1120, U.S. Corporation Income Tax Return, consistently since the year F and have recently applied for tax exemption under IRC Section 501(c)(4) on G. Your corporate purposes include:

- To promote the common good, health, safety and general welfare of the residents of D;

- To exercise all of the powers and privileges and to perform all of the duties and obligations arising from the Declaration applicable to the D Property, as amended from time to time, the Declaration being incorporated herein by reference for all purposes;
- To enforce applicable provisions of the Declaration, your bylaws, any of your rules and regulations and any other instrument for the management and control of the D property;
- To fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to contract for and pay all expenses in connection with the maintenance, landscaping, utilities, materials, supplies and services relating to the D property and facilities thereon; to employ personnel reasonably necessary for administration and control of the D property, including lawyers and accountants where appropriate; and to pay all office and other expenses incident to the conduct of the business, including all licenses, taxes and special assessments which are or would become a lien on any portion of the D Property;

Additionally, as a Mutual Benefit Corporation in B, assets can only be distributed to members upon dissolution and these types of corporations in B generally are formed for the benefit of members.

Your bylaws indicate you were formed to govern, operate and maintain the Common Properties situated in D, recorded in E. Further, they state you will operate and maintain a system that will enhance the security of D and Common Properties as well as to enforce the covenants, conditions, restrictions, uses, limitations, obligations and maintenance and landscape of common areas and all other provisions set forth in the Declaration.

Your bylaws also state that you have one class of members, which are the individual property owners in D. A person automatically becomes a member upon his/her becoming an owner and will remain a member for so long as he/she is an owner. Each member/owner has one vote on each matter for each lot owned.

Your Form 1024A indicates that you maintain the common areas of D which is a gated community comprised of z single-family homesites. Common areas include numerous monument entry signs, perimeter fences and walls, y acres of common area greenbelts and slopes, x miles of privately maintained streets, a w-acre lake, and paved sidewalks throughout D. You also maintain recreational facilities consisting of a pavilion at the lake, a manmade lake, a nature trail, picnic tables, restrooms, a fishing dock, and playground equipment.

You also explained that there is a seven foot high vinyl-coated chain-link fence, mounted to steel posts set in concrete that is about u linear feet in length as well as a 7 and 8-foot high masonry wall which is about v linear feet in length which enclose D. There is also a gatehouse at the only entrance to D where there is a paid security patrol based 24/7. Your members and their guests have unrestricted access through this single point entry.

You further indicated that you were constructed around a country club golf course known as H. H and elements associated with H have not been operated or controlled by you for numerous years and is exempt under IRC Section 501(c)(7). These elements include parking areas, swimming pools, tennis courts, golf course irrigation systems, the club house, trails and pathways specific to the golf course. etc. Membership criteria for H is unrelated to membership with you and is open to the general public. Specifically, there is no mutual membership requirement for either organization. However, approximately one half of your members hold memberships to H. You also stated that D's members and guests, employees, and vendors have access to D. In

addition, you explained that H has hosted several charity golf tournaments throughout the years. H also hosts other community events.

You provided the specifics concerning your activities:

a. Code enforcement:

- You administer and enforce architectural controls related to the homes within D.
- You explained you work closely with local city compliance officers and allow them access to D to enforce all city building and other residential codes.

b. Private patrol service:

- You provide a paid private patrol service to D. The patrol service duties include patrolling D while watching out for unusual or suspicious activity to reduce crime. The patrol service also issues citations for traffic violations within D.
- You further explained that this program promotes the general welfare of D. You state your security personnel work closely with the local police and fire departments, relaying monitored alarm calls, and escorting and assisting public safety personnel when called to the community. This security operation is similar to law enforcement operations of small municipalities and is an essential governmental type service.

c. Maintenance of monument signs, greenbelts, and fences:

- You maintain monument signs, greenbelts, and fences throughout D.
- You explained this is a beautification project which benefits those who may visit D.

d. Road maintenance:

- You own, maintain, and repair x miles of your privately-owned roads.
- You explained that your road maintenance activities promote the general welfare of D and, because road maintenance is an essential governmental function, the activities lessen the burden of the local city.

e. Guard and gate facilities:

- You maintain a 24-hour guard gate facility that serves as the base of operations for the private patrol service.
- You state this promotes the general welfare of the community and reduces the burden of the local city.

f. Cooperation with local government.

- You allow access of your property to the local city code compliance officers so they may enforce all city building and other residential codes. You allow access to the local city water department so they may ensure that homeowners are in compliance with regulations related to residential watering days and times. You allow access to other city services and contractors, including garbage and recycling collection, and streetlight maintenance.

g. Committees:

- You maintain standing committees to support your governance structure. Your committees include matters of nominating, security, landscape, finance, architectural control, community development, and communications.
- You state your governance structure is similar to the structure of local governmental entities and lessens the burden of the local city.

You are supported primarily by members/homeowners' assessment fees and governed by a volunteer board elected from among your membership.

Finally, you stated that you are not claiming exemption as a homeowner's association under IRC Section 501(c)(4) but as a social welfare organization per IRC Section 501(c)(4) and Treasury Regulation Section 1.501(c)(4)-1, which further defines a social welfare organization. Specifically, the law states that "An organization is operated exclusively for the promotion of social welfare if it is primarily engaged in promoting in some way the common good and general welfare of the people of the community." You believe the findings in the court case, Rancho Santa Fe Association 84-2 USTC 9536 support that you qualify under IRC Section 501(c)(4) as well as the findings in Revenue Rulings 72-102, 1972-1 C.B. 149, 74-99, 1974-1 C.B. 132, 75-386, 1975-2 C.B. 211 and 80-63, 1980-1 C.B. 116.

#### Law

IRC Section 501(c)(4) provides for the exemption from Federal income tax of civic leagues or organizations not organized for profit but operated exclusively for the promotion of social welfare or legal associations of employees, the membership of which is limited to the employees of the designated person or persons in a particular municipality, and the net earnings of which are devoted exclusively to charitable, educational or recreational purposes.

Treas. Reg. Section 1.501(c)(4)-1(a)(1) states an organization may be exempt if: (i) it is not operated for profit and (ii) it is operated exclusively for the promoting of social welfare.

Treas. Reg. Section 1.501(c)(4)-1(a)(2)(i) provides that an organization is operated exclusively for the promotion of social welfare if it is primarily engaged in promoting in some way the common good and general welfare of the people of the community. An organization embraced within this section is one, which is operated primarily for the purpose of bringing about civic betterments and social improvements.

Rev. Rul. 72-102, 1972-1 C.B. 149, describes a non-profit organization formed to preserve the appearance of a housing development and to maintain streets, sidewalks, and common areas for use of the residents that is found to be exempt under Section 501(c)(4). The ruling describes what may constitute a community, which may be exemplified in a neighborhood, precinct, subdivision, or housing development. It states by administering and enforcing covenants, and owning and maintaining certain non-residential, non-commercial properties of the type normally owned and maintained by municipal governments, this organization is serving the common good and the general welfare of the people of the entire development.

Rev. Rul. 74-99, 1974-1 C.B. 132, modified Rev. Rul. 72-102. It clarified that to qualify for exemption under IRC Section 501(c)(4), a homeowners' association must:

1. serve a "community" which bears a reasonable recognizable relationship to an area ordinarily identified as governmental,

2. not conduct activities directed to the exterior maintenance of private residences, and
3. open its common areas or facilities it owns and maintains must for the use and enjoyment of the general public.

This ruling provides clarification for the term “community”. Rev. Rul. 72-102 caused a misconception that “any housing development may qualify as a community for exemption purposes regardless of any other attendant facts and circumstances in the case.” This ruling continues to explain, “A community within the meaning of IRC Section 501(c)(4) and the regulations is not simply an aggregation of homeowners bound together in a structured unit formed as an integral part of a plan for the development of a real estate subdivision and the sale and purchase of homes therein. Although an exact delineation of the boundaries of a “community” contemplated by Section 501(c)(4) is not possible, the term as used in that section has traditionally been construed as having reference to a geographical unit bearing a reasonably recognizable relationship to an area ordinarily identified as a governmental subdivision or a unit or district thereof.”

This ruling also provides clarification for the phrase “non-residential, non-commercial properties of the type normally owned and maintained by municipal government.” It is further explained that the only areas and facilities encompassed were those traditionally recognized and accepted as being of direct governmental concern in the exercise of the powers and duties entrusted to governments to regulate community health, safety, and welfare. Thus, it was “intended only to approve ownership and maintenance by a homeowners’ association of such areas as roadways and parklands, sidewalks and street lights, access to, or the use and enjoyment of which is extended to members of the general public, as distinguished from controlled use or access restricted to the members of the homeowners’ association...”

Rev. Rul. 75-386, 1975-2 C.B. 211, describes an organization that contracts with a private firm to provide the community with security patrols assisted by guard dogs, works to improve public services, housing, and residential parking, and that publishes a newspaper distributed free of charge to all community residents and sponsors a community basketball league, holiday programs, and meetings of community residents is operated exclusively for the promotion of social welfare and qualifies for exemption under IRC Section 501(c)(4).

Rev. Rul. 77-273, 1977-2 C.B. 195, describes a non-profit organization that provides security services for residents and property owners of a particular community, who agree to voluntarily donate money at a specified hourly rate to defray the cost of the services, is carrying on a business with the general public in a manner similar to organizations operated for profit and does not qualify for exemption under IRC Section 501(c)(4).

Rev. Rul. 80-63, 1980-1 C.B. 116, provides further clarification of Rev. Rul. 74-99 through specific questions. The answer to Question 1 reiterates that a qualifying association’s common areas and facilities must be open for the use and enjoyment of the general public, as distinguished from areas and facilities whose use and enjoyment is controlled and restricted to members of the association, to satisfy the requirement of serving a community. The answer to Question 2 points out that an association will not qualify if it restricts the use of its recreational facilities (within the definition of “common areas”), such as swimming pools, tennis courts, and picnic areas, to members of the association.

Commissioner v. Lake Forest, Inc., 305 F. 2d 814 (4th Cir., 1962), denied exemption to a social welfare organization because the organization did not benefit the public at large, nor was its contribution of a public character. The case involved a non-profit membership housing cooperative that provided low-cost housing to its members. In denying exemption as a social welfare organization, the court found that although the organization’s activities were available to all citizens eligible for membership, opining, “[I]ts contribution is

neither to the public at large nor of a public character.” The court looked to the benefits provided and not to the number of persons who received benefits through membership. In this case, benefits were largely directed to certain individuals rather than the general public, so the organization did not qualify as a social welfare organization.

Rancho Santa Fe Association v. U.S., 589 F. Supp. 54 (S.D. Cal. 1984), held that a housing development functioning as a public municipality, constituted an independent community under Section 1.501(c)(4)-1 of the Treasury Regulations, and that the homeowners’ association representing the property owners within the housing development bestowed benefits on the entire community. Therefore, the association was exempt under Section 501(c)(4) even though the public was restricted from certain recreational facilities.

Of note, the Rancho Santa Fe development was significant in size, separated geographically from the central area of a large city, and had its own post office and zip code. In addition, the organization performed the functions of a governmental entity, and it brought about civic betterments and social improvements on an unrestricted basis that would be sorely missed by the community without the activities of the organization. The homeowners’ association owned 600 acres and the remainder was owned by individual members. Of the 600 acres owned by the Association, 300 acres were dedicated to parkland and open space, 165 acres were improved as playgrounds, athletic fields, a public parking lot, a community clubhouse, and hiking and bridle trails. The remaining 135 acres comprised a golf course and tennis courts. In sum, out of the 600 acres owned directly by the Association, 465 of these acres were available for use by the general public on an unrestricted basis. The remaining 135 acres were available to all the members of the Rancho Santa Fe community and to the general public, but only when the public used the inn located in Rancho Santa Fe. The court summarized, “The critical factor is that the Association benefits the community it serves and represents on an unrestricted basis.”

Flat Top Lake Ass’n v. United States, 868 F.2d 108 (4th Cir., 1989), held that a homeowners’ association that encompassed a very large area but restricted use of its facilities to its members did not qualify for exemption under Section 501(c)(4). Of note, in Flat Top Lake there were no schools, churches nor commercial establishments within the bounds of the property, nor was commercial development permitted by the Association. They undertook certain tasks of a quasi-governmental nature; they constructed a bridge within the development, maintained certain common areas including the road, a park, and the lake itself, and provided waste disposal for residents. Finally, they arranged for law enforcement by obtaining the appointment of a conservator of the peace pursuant to local state code. The conservator is paid by the local sheriff’s department which is in turn reimbursed by the Association. The factual circumstances presented in Rancho Santa Fe are distinguishable from the instant case. The housing development served by the organization in Rancho Santa Fe was much larger than Flat Top and, functioned as a public municipality. Access to the development by nonresidents was unrestricted and the use of a substantial portion of the development’s recreational facilities by the general public was unlimited. Unlike the inhabitants of Flat Top Lake, there was no indication that the inhabitants of Rancho Santa Fe sought to shut themselves off from society and to hold the outside world at arms’ length. While the court in Rancho Santa Fe did believe that a development that attained “community” status could exclude the public at large and still obtain Section 501(c)(4) exemption, that conclusion must be regarded largely as dicta in light of the actual nature of Rancho Santa Fe. Flat Top Lake Association created a wholly private environment for its members.

#### **Application of law**

You are not as described in IRC Section 501(c)(4) and Treas. Reg. Section 1.501(c)(4)-1(a)(1) because your activities do not primarily promote social welfare. You are a gated community; no one can get past the gate into D unless they are resident members or guests as well as members and guests of H a private country club.



Members of the general public only have access only on limited occasions. This illustrates you do not primarily operate to promote social welfare within the meaning of IRC Section 501(c)(4).

Moreover, you do not meet the provisions of Section 1.501(c)(4)-1(a)(2)(i) because your activities are focused on providing services and amenities to the Z member homeowners and do not primarily promote civic betterment or social welfare. For example, although you assert that the community you serve, D is open to the public, D is a gated community enclosed by u linear feet of a seven foot high chain-link fence, mounted to steel posts set in concrete as well about v linear feet of seven-eight feet high masonry walls. There is also a gatehouse with 24-hour security who monitor access. Generally, only your members, their guests as well as H members and their guests have unlimited access. This illustrates that your activities do not serve or benefit the community at-large and promote social welfare, but rather benefit a small limited group of people who have specific authorization to enter through your gate which precludes exemption under IRC Section 501(c)(4).

Additionally, Rev. Rul. 72-102 was modified by Rev. Rul. 74-99, which clarified the meaning of the term "community". You do not serve a community within the meaning of the revenue rulings. For instance, you do not serve a community that bears a relationship to a governmental subdivision or unit; the community you serve is gated development of Z homeowners. Additionally, you are reliant on the services of wholly distinct local government agencies, such as the police department, fire department, water department, code enforcement, trash collection, etc. Further, your activities do not convey benefits to the community beyond your restricted gated community as shown by the fact that your activities are directed toward benefitting the limited persons who may enter inside your gated community. Furthermore, while you maintain such areas as roadways, parklands, and sidewalks, these areas are not available to the general public but are open only to your members and guests, and members and guests of the co-located private club H. Thus, you are not operating in the manner contemplated by Rev. Rul. 72-102 nor Rev. Rul. 74-99 which provided exemption to homeowners' associations under IRC Section 501(c)(4).

You deem yourself to be similar to the organization described in Rev. Rul. 75-386, which provided a community at large with security patrols. Security services were not limited to those who are dues-paying or fee-paying persons. You are not similar to the instant organization because you are not providing services to a "community" as clarified and explained in Rev. Rul. 74-99. You are providing security services solely to your members and members of a co-located private country club only, which is not the community at large.

However, the manner in which you provide security services is similar to the denied organization described in Rev. Rul. 77-273, which provides security services only to residents who pay fees for such services. Likewise, your security services only directly benefit those who fall within the limited membership criteria for your homeowners' association and members of a certain private country club, when they are on your premises.

You are not operated in a manner described in Rev. Rul. 80-63 that is required to qualify for exemption under IRC Section 501(c)(4). Access to your property and all of its common areas is restricted to your members and members of a co-located private country club. Serving this limited special group does not serve the community as a whole.

You are similar to the denied organization described in Lake Forest. Like this organization, your benefits only extend to those who are dues-paying members of yours and of a co-located private country club. Thus, your benefits do not extend to the public at large, but primarily to a very limited group of citizens.

You are not similar to the qualifying organization described in Rancho Santa Fe. Of note, Rancho Santa Fe did not have physically restricted access, as you do. Any person could access their property at will and utilize all common areas, with the exception of the golf and tennis facilities, which comprised less than a quarter of the organization's property per square foot. You, however, do have physically restricted access to your property in the form of a 24-hour guarded gate, which only admits your homeowner-members and members of the co-located private country club. No parallel is able to be drawn between the golf and tennis club at Rancho Santa Fe and the country club within your gates. In your case the country club is a separate entity, in which you have no voice in operations nor policies. Thus, any leniency with respect to golf and tennis facilities limited to certain persons in Rancho Santa Fe has no bearing on you. Also, of note, Rancho Santa Fe was determined to be an independent community in itself. It has been shown that you are not described within the term "community" as proffered in Rev. Rul. 72-102 and clarified in Rev. Rul. 74-99 and Rev. Rul 80-63. So, Rancho Santa Fe's benefits were available – on an unrestricted basis - to the immediate community and to the community at large. Your benefits are only available - on a restricted basis - to your homeowner-members and members of a co-located private country club, which is not the community at large.

You are similar to the denied organization described in Flat Top Lake; you are a residential homeowners' association who has undertaken certain road, common area, and landscape maintenance, as well as provision of security, which benefits only your members and members of the co-located private country club when they are on your premises, due to the restricted physical access to your property.

You are similar to the denied organization described in Lake Forest. Like this organization, your benefits only extend to those who are dues-paying members of yours and of a co-located private country club. Thus, your benefits do not extend to the public at large, but rather a limited group of citizens.

You are not similar to the qualifying organization described in Rancho Santa Fe. Of note, Rancho Santa Fe did not have physically restricted access, as you do. Any person could access their property at will and utilize all common areas, with the exception of the golf and tennis facilities, which comprised less than a quarter of the organization's property per square foot. You, however, do have physically restricted access to your property in the form of a 24-hour guarded gate, which only admits your homeowner-members and members of the co-located private country club. No parallel is able to be drawn between the golf and tennis club at Rancho Santa Fe and the country club within your gates. In your cases the country club is a separate entity, in which you have no voice in operations nor policies. Thus, any leniency with respect to golf and tennis facilities limited to certain persons in Rancho Santa Fe has no bearing on you. Also, of note, Rancho Santa Fe was determined to be an independent community in itself. It has been shown that you are not described within the term "community" as proffered in Rev. Rul. 72-102 and clarified in Rev. Rul. 74-99 and Rev. Rul 80-63. So, Rancho Santa Fe's benefits were available – on an unrestricted basis - to the immediate community and to the community at large. Your benefits are only available - on a restricted basis - to your homeowner-members and members of a co-located private country club, which is not the community at large.

You are similar to the denied organization described in Flat Top Lake; you are a residential homeowners' association who has undertaken certain road, common area, and landscape maintenance, as well as provision of security, which benefits only your members and members of the co-located private country club when they are on your premises, due to the restricted physical access to your property.

## Conclusion

You are not described under IRC Section 501(c)(4) because you are not operated exclusively for the promotion of social welfare. You are not primarily engaged in promoting the common good and general welfare of the people of the community within the meaning of the regulations. And, you are further found to not be described within the term "community". Thus, activities directed toward your members only are not directed toward a community or to the general public, as is required for exemption under Section 501(c)(4). Your activities serve to benefit only the select few who are permitted to enter your guarded gate.

**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.

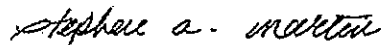
You can get the forms and publications mentioned in this letter by visiting our website at [www.irs.gov/forms-pubs](http://www.irs.gov/forms-pubs) or by calling 800-TAX-FORM (800-829-3676). If you have questions, you can contact the person listed at the top of this letter.

**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.

We sent a copy of this letter to your representative as indicated in your power of attorney.

Sincerely,



Stephen A. Martin  
Director, Exempt Organizations  
Rulings and Agreements