



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

Date:
05/16/2022
Employer ID number:

Person to contact:

Number: **202232019**
Release Date: 8/12/2022

UIL: 501.04-00, 501.33-00

Dear :

This letter is our final determination that you don't qualify for exemption from federal income tax under Internal Revenue Code (IRC) Section 501(a) as an organization described in IRC Section 501(c)(4). Recently, we sent you a proposed adverse determination in response to your application. The proposed adverse determination explained the facts, law, and basis for our conclusion, and it gave you 30 days to file a protest. Because we didn't receive a protest within the required 30 days, the proposed determination is now final.

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

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

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

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

Sincerely,

Director, Exempt Organizations
Rulings and Agreements

Enclosures:
Letter 437
Redacted Letter 4034
Redacted Letter 4038

cc:



Department of the Treasury
Internal Revenue Service
 PO Box 2508
 Cincinnati, OH 45201

Date: 01/06/2022

Employer ID number:

Person to contact:

Name:

ID number:

Telephone:

Fax:

Legend:

X = State

Y = Date

Z = Country

\$ q dollars = \$

\$ r dollars = \$

UIL:

501.04-00

501.33-00

Dear _____ :

We considered your application for recognition of exemption from federal income tax under Internal Revenue Code (IRC) Section 501(a). We determined that you don't qualify for exemption under IRC Section 501(c)(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 incorporated in X on Y to help your members and their family meet funeral expenses in the United States of America and transportation of dead body to Z, if desired, and meals for the members' families and their mourning guests.

You were formed by a group of friends of similar ethnic background. You collect monthly dues and hold meetings, but your main objective is to assist members pay funeral expenses when they have a death in the family. Usually only members are eligible for your benefits. However, a majority vote of the governing body can decide to donate money to nonmembers for funeral expenses. Regardless, once funeral arrangements are made you pay the funeral home directly.

Membership is limited to immigrants from Z. Initial membership fee is \$ q dollars and monthly membership fee is \$ r dollars. All your revenue comes from membership fees. Most of your expense is related to assisting with funeral related costs. However, since funerals cannot be predicted, there may be some years that you incur no expense.

To date, you have assisted one member with funeral related expenses, which were paid directly to the funeral home. You have not paid for any transportation of a body to Z for final burial or for any meals for mourners of the deceased.

Law

IRC Section 501(c)(4) provides, in part, 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.

Treasury Regulation Section 1.501(c)(4)-1(a)(2)(i) 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. An organization embraced within this section is one, which is operated primarily for the purpose of bringing about civic betterment and social improvements.

Rev. Rul. 75-199, 1975-1 C.B. 160, provides that a nonprofit organization that restricts its membership to individuals, who belong to a particular ethnic group residing in a stated geographical area, and that provides sick benefits to members and death benefits to beneficiaries of deceased members does not qualify for exemption under IRC Section 501(c)(4) because the benefit to the community at large is minor and incidental.

Rev. Rul. 81-58, 1981-1 C.B. 331 advises that a nonprofit police officer association whose primary activity is providing lump-sum retirement payments to its members or death benefits to their beneficiaries will not qualify as a social welfare organization under IRC 501(c)(4). Rev. Rul. 75-199 amplified.

Application of law

You are not operated exclusively for the promotion of social welfare because you are not primarily engaged in promoting the common good and general welfare of the people of the community Nor do your operations bring about civic betterment and/or social improvements. Thus, you are not qualified for exemption under IRC 501(c)(4). (See Treas. Reg. Sec. 1.501(c)(4)-1(a)(2)(i).)

You are like the organization denied exemption in Rev. Rul. 75-199 and amplified by Rev. Rul. 81-58. You too are limited to a specific group residing in a specific area. Your benefits are only bestowed on members and their beneficiaries so the benefit to the community at large is minor and incidental.

Conclusion

You are organized and operated to serve the private benefit of your membership rather than the public interest. Thus, you are not operated exclusively for social welfare purposes. Therefore, you are not qualified for exemption under IRC Section 501(c)(4).

If you agree

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

If you don't agree

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

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

For an officer, director, trustee, or other official who is authorized to sign for the organization:
Under penalties of perjury, I declare that I have examined this request, or this modification to the request, including accompanying documents, and to the best of my knowledge and belief, the request

or the modification contains all relevant facts relating to the request, and such facts are true, correct, and complete.

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

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

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

Where to send your protest

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

U.S. mail:

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

Street address for delivery service:

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

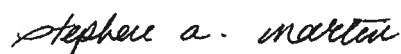
You can also fax your protest and supporting documents to the fax number listed at the top of this letter. If you fax your statement, please contact the person listed at the top of this letter to confirm that they received it.

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

Contacting the Taxpayer Advocate Service

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

Sincerely,



Stephen A. Martin
Director, Exempt Organizations
Rulings and Agreements