



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

Date:

July 28, 2022

Taxpayer ID number:

Form:

Tax periods ended:

Person to contact:

Name:

ID number:

Telephone:

Fax:

Release Number: 202305016

Release Date: 2/3/2023

UIL Code: 501.03-00

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Dear :

Why we are sending you this letter

This is a final determination that you don't qualify for exemption from federal income tax under Internal Revenue Code (IRC) Section 501(a) as an organization described in IRC Section 501(c)(3), effective . Your determination letter dated , is revoked.

Our adverse determination as to your exempt status was made for the following reasons: You have not demonstrated that you are both organized and operated exclusively for charitable, educational, or other exempt purposes within the meaning of IRC Section 501(c)(3). You did not engage in any activity that accomplished one or more exempt purposes under IRC Section 501(c)(3). As such, you failed to meet the requirement of IRC Section 501(c)(3) and Treasury Regulations Section 1.501(c)(3)-1(a).

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.

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

What you must do if you disagree with this determination

If you want to contest our final determination, you have 90 days from the date this determination letter was mailed to you to file a petition or complaint in one of the three federal courts listed below.

How to file your action for declaratory judgment

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.

Please contact the clerk of the appropriate court for rules and the appropriate forms for filing an action for declaratory judgment by referring to the enclosed Publication 892, How to Appeal an IRS Determination on Tax-Exempt Status. 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).

Information about the IRS Taxpayer Advocate Service

The IRS office whose phone number appears at the top of the notice can best address and access your tax information and help get you answers. However, you may be eligible for free help from the Taxpayer Advocate Service (TAS) if you can't resolve your tax problem with the IRS, or you believe an IRS procedure just isn't working as it should. TAS is an independent organization within the IRS that helps taxpayers and protects taxpayer rights. Contact your local Taxpayer Advocate Office at:

Or call TAS at 877-777-4778. For more information about TAS and your rights under the Taxpayer Bill of Rights, go to taxpayeradvocate.irs.gov. Do not send your federal court pleading to the TAS address listed above. Use the applicable federal court address provided earlier in the letter. Contacting TAS does not extend the time to file an action for declaratory judgment.

Where you can find more information

Enclosed are Publication 1, Your Rights as a Taxpayer, and Publication 594, The IRS Collection Process, for more comprehensive information.

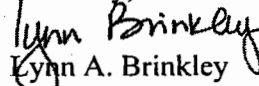
Find tax forms or publications by visiting www.irs.gov/forms or calling 800-TAX-FORM (800-829-3676).

If you have questions, you can call the person shown at the top of this letter.

If you prefer to write, use the address shown at the top of this letter. Include your telephone number, the best time to call, and a copy of this letter.

Keep the original letter for your records.

Sincerely,



Lynn A. Brinkley

Acting Director, Exempt Organizations Examinations

Enclosures:

Publication 1

Publication 594

Publication 392



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

Date:
March 1, 2022
Taxpayer ID number:

Form:

Tax periods ended:

Person to contact:
Name:
ID number:
Telephone:
Fax:
Address:

Manager's contact information:
Name:
ID number:
Telephone:
Response due date:
March 31, 2022

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.

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.

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,

Lynn A. Brinkley
Acting Director, Exempt Organizations Examinations

Enclosures:
Form 886-A
Form 6018

Form 886-A	EXPLANATIONS OF ITEMS	Schedule number or exhibit
Name of taxpayer	Tax Identification Number	Year/Period ended

Issue:

Whether _____ continues to qualify for exemption as an organization described in the Internal Revenue Code (IRC) Section 501(c)(3).

Facts:

The organization is a public charity that was granted exemption under IRC section 501(C)(3) and classified as a supporting organization under IRC section 509(a)(3). The determination letter dated _____ states that the IRS determined that the EO is a Type _____ organization.

The organization was formed by the _____, an organization described in sections 509(a)(1) and 170(b)(A)(1)(ii), to operate and maintain a business _____ facility.

The organization was incorporated in the State of _____ in _____. The organization amended its articles of incorporation to change the name from _____ to _____.

The organization filed Form _____ for _____ and listed its mission as “

Per the review of Form _____, attachment for part _____, the operation of the _____ is an essential part of the _____ and scientific research mission. It states that by providing the _____ facilities and program, the organization will promote the _____ economic impact within _____ and _____ by focusing on initiating and supporting promising new technology business opportunities.

Part _____ line a, additional data, of the Form _____ ending in _____, states “the organization ceased operations on _____ and has been inactive since then.”

During the initial interview, the Treasurer verified that the organization has ceased operations since _____.

Financial information reported on the _____:

Income	Amount
Gain from a sale of an asset other than inventory (accounts receivable)	\$ _____
Bad debt recovery	\$ _____
Expenses	
Accounting	\$ _____
Office expense	\$ _____
Net income	\$ _____

Form 886-A	EXPLANATIONS OF ITEMS		Schedule number or exhibit
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Law:

IRC Section 501(c)(3) exempts from federal income tax organizations which are organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary, or educational purposes, or to foster national or international amateur sports competition (but only if no part of its activities involve the provision of athletic facilities or equipment), or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual, no substantial part of the activities of which is carrying on propaganda, or otherwise attempting, to influence legislation (except as otherwise provided in subsection (h)), and which does not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of (or in opposition to) any candidate for public office.

IRC Section 509(a)(3) of the Code provides, in part, that the term "private foundation" does not include an organization which is organized, and at all times thereafter is operated, exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more specified exempt organizations described in sections 509(a)(1) and 509(a)(2) of the Code ; and is operated, supervised, or controlled by or in connection with one or more organizations described in sections 509(a)(1) and 509(a)(2)

Treas. Reg. 1.501(c)(3)-1(a)(1) of the regulations provides that in order to be exempt as an organization described in section 501(c)(3) of the Code , the organization must be one that is both organized and operated exclusively for one or more of the purposes specified in that section.

Treas. Reg. 1.501(c)(3)-1(b) of the regulations provides that in order to be exempt as an organization described in section 501(c)(3) of the Code, the organization must pass the organizational test. The organizational test requires an appropriate purpose and dissolution statement limited to the organization's exempt purpose.

Treas. Reg. 1.501(c)(3)-1(c)(1) of the regulations provides that an organization will be regarded as "operated exclusively" for one or more exempt purposes only if it engages primarily in activities which accomplish one or more of such exempt purposes specified in section 501(c)(3).

Treas. Reg. 1.501(c)(3)-1(d)(i) states that an organization may be exempt as an organization described in 501(c)(3) if it is organized and operated exclusively for one or more of the following purposes: religious, charitable, scientific, testing for public safety, literary, educational, or prevention of cruelty to children or animals.

Treas. Reg. 1.509(a)-4(a)(2) Section 509(a)(3)(A) provides that a section 509(a)(3) organization must be organized, and at all times thereafter operated, exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more specified organizations described in section 509(a)(1) or (2).

Form 886-A	EXPLANATIONS OF ITEMS	Schedule number or exhibit
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Treas. Reg. 1.509(a)-4(b)(1) Under subparagraph (A) of section 509(a)(3), in order to qualify as a supporting organization, an organization must be both organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of (hereinafter referred to in this section as being organized and operated to support or benefit) one or more specified publicly supported organizations. If an organization fails to meet either the organizational or the operational test, it cannot qualify as a supporting organization.

Treas. Reg. 1.509(a)-4(c)(1) An organization is organized exclusively for one or more of the purposes specified in section 509(a)(3)(A) only if its articles of organization (as defined in § 1.501(c)(3)-1(b)(2)):

- (i) Limit the purposes of such organization to one or more of the purposes set forth in section 509(a)(3)(A);
- (ii) Do not expressly empower the organization to engage in activities which are not in furtherance of the purposes referred to in subdivision (i) of this subparagraph;
- (iii) State the specified publicly supported organizations on whose behalf such organization is to be operated (within the meaning of paragraph (d) of this section); and
- (iv) Do not expressly empower the organization to operate to support or benefit any organization other than the specified publicly supported organizations referred to in subdivision (iii) of this subparagraph.

Treas. Reg. 1.509(a)-4(d)(1) In order to meet the requirements of section 509(a)(3)(A), an organization must be organized and operated exclusively to support or benefit one or more specified publicly supported organizations. The manner in which the publicly supported organizations must be specified in the articles for purposes of section 509(a)(3)(A) will depend upon whether the supporting organization is operated, supervised, or controlled by or supervised or controlled in connection with (within the meaning of paragraphs (g) and (h) of this section) such organizations or whether it is operated in connection with (within the meaning of paragraph (i) of this section) such organizations.

Treas. Reg. 1.509(a)-4(f)(1) Section 509(a)(3)(B) describes the nature of the relationship required between a section 501(c)(3) organization and one or more publicly supported organizations in order for such section 501(c)(3) organization to qualify under the provisions of section 509(a)(3). To meet the requirements of section 509(a)(3), an organization must be operated, supervised, or controlled by or in connection with one or more publicly supported organizations. If an organization does not stand in one of such relationships (as provided in this paragraph) to one or more publicly supported organizations, it is not an organization described in section 509(a)(3).

Treas. Reg. 1.509(a)-4(g)(1)(i) The relationship where the supporting organization is operated, supervised, or controlled by the supported organization requires a substantial degree of direction over the policies, programs, and activities of a supporting organization by one or more publicly supported organizations - one, the regulations note, that is similar to a parent subsidiary relationship in the corporate area. Such a relationship is established by the fact that a majority of the members of the controlling body of the supporting organization (i.e., its officers, directors, or trustees), are appointed or elected by the governing body, members of the governing body,

Form 886-A	EXPLANATIONS OF ITEMS	Schedule number or exhibit
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officers acting in their official capacity or membership of one or more publicly supported organizations.

Treas. Reg. 1.509(a)-4(j)(1) Under the provisions of section 509(a)(3)(C) a supporting organization may not be controlled directly or indirectly by one or more disqualified persons (as defined in section 4946) other than foundation managers and other than one or more publicly supported organizations. If a person who is a disqualified person with respect to a supporting organization, such as a substantial contributor to the supporting organization, is appointed or designated as a foundation manager of the supporting organization by a publicly supported beneficiary organization to serve as the representative of such publicly supported organization, then for purposes of this paragraph such person will be regarded as a disqualified person, rather than as a representative of the publicly supported organization.

Taxpayer's position:

The taxpayer's position is unknown at this time.

Government's position:

Section 501(c)(3) of the Internal Revenue Code sets main tests for an organization to be recognized as exempt. An organization must be both organized and operated exclusively for purposes described in Section 501(c)(3) of the Code and Treasury Regulation Section 1.501(c)(3)-1(d)(l).

The organization has failed to meet the operational test. The return indicates that the organization ceased its operations since . This was confirmed during the initial interview conducted with the Treasurer. There were no operational activities conducted during the year under examination and per discussion with the Treasurer, the organization does not plan to conduct any exempt activities in the future.

Conclusion:

The organization is no longer operating for an exempt purpose and has failed to meet the operational requirement to continue its exemption status under IRC 501(c)(3). The organization's exempt status should be revoked effective