



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

Date:
01/26/2023
Employer ID number:

Form you must file:

Tax years:

Person to contact:

Number: **202316011**
Release Date: 4/21/2023

UIL: 501.00-00, 501.03-00, 501.38-01

Dear :

This letter is our final determination that you don't qualify for exemption from federal income tax under Internal Revenue Code (IRC) Section 501(a) as an organization described in IRC Section 501(c)(3). Recently, we sent you a proposed adverse determination in response to your application. The proposed adverse determination explained the facts, law, and basis for our conclusion, and it gave you 30 days to file a protest. Because we didn't receive a protest within the required 30 days, the proposed determination is now final.

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

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

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

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.

Sincerely,

Stephen A. Martin
Director, Exempt Organizations
Rulings and Agreements

Enclosures:

Letter 437

Redacted Letter 4034

Redacted Letter 4038



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

Date: December 7, 2022

Employer ID number:

Person to contact:

Name:

ID number:

Telephone:

Fax:

Legend:

B = State

C = Date

D = Country

E = Nationality

UIL:

501.00-00

501.03-00

501.38-01

Dear _____ :

We considered your application for recognition of exemption from federal income tax under Internal Revenue Code (IRC) Section 501(a). We determined that you don't qualify for exemption under IRC Section 501(c)(3). This letter explains the reasons for our conclusion. Please keep it for your records.

Issues

Do you qualify for exemption under IRC Section 501(c)(3)? No, for the reasons stated below.

Facts

You were formed as a non-profit corporation in B on C. Your Articles of Incorporation state that the character of your business is that of a political party. Otherwise, your articles are silent as to your specific purposes and the disposition of your assets upon dissolution. You indicated on your application for exemption that your organizing document does not meet the organizational test.

Your Bylaws state you are a "civil democratic party" based on E citizenship where the law prevails and protects the rights of all. You will seek to win over the E people in the United States, to make their sound heard. You will organize demonstrations to support the cause of E people. You will establish long-term political relations between the immigrants to the United States from D and the American people. You gain public opinion and mobilize American organizations to make the American people aware of the crisis in D. You raise funds to support the _____ and affected people of D through coordination with the _____, _____, and other organizations concerned with D. You establish relationships with legislators and American decision makers at the state and federal levels.

You described your activities in your application as "partisan activity" conducted by a "group of members and people" in D. You are funded through donations. When we asked how the activities further your exempt

purpose you said, "Not specified." In your application you indicated that you would not attempt to influence legislation and you would not support or oppose candidates in political campaigns. However, you went on to state that you will operate in the foreign country of D as "an E political party."

You submitted a document which describes this political party. It discusses unity, freedoms, and building society as well as "building the state." Building the state "includes infrastructure, departments, institutions, services, law, and placing the individual in the right place."

Your "party's goal is to support the cause politically and morally toward change in D and to support the people of D by collecting donations from people, charitable organizations, and civil society organizations."

The conditions of affiliation with the party include:

1. Be of E nationality.
2. He must not be convicted of a crime involving _____, _____, involved in the E people, or involved in _____
3. Should not be _____ or _____ and does not differentiate between the _____ and components of the E people.
4. Will not violate the party's internal system and policy, and not disclose and publish documents without consulting.
5. In the event of non-compliance with these conditions, the member will be held accountable and dismissed from the party.
6. Believe in the principles and constants of the party.

You have a project where you will "work for the people as a government of law not of people or groups." The only goal of this project "is to better the people of D safe and secure [sic] working for sovereignty on internal affairs by securing D's security cooperating [sic] with other countries but without them interfering in internal affairs."

You will work on the _____ of _____ and _____ back to the people of D. You will establish a _____ to bring _____ to _____. You will create job opportunities for all. You will protect and care for women, children, and the elderly. You will also provide activities inviting E people to meet and greet. You will contact them by phone or in person to set up a welfare program to help refugees.

There are members of your party "having _____ to register more members" and also helping people who can't afford to buy food or other necessities, etc. You have tried to contact legislative members, but at this time you have not participated or intervened in any political campaigns. You are "planning to _____ for _____ on the _____ level in D next _____ [sic] so we have not have [sic] any projections of amount of time or money that will be spent when the time comes."

Your website includes a description of your activities and purposes, which includes, in part:

- Build a strong and _____ by law,
- Rewrite, draft, and enact a constitution,
- Establish strict and deterrent laws for anyone who _____ the state,
- Establish laws that support family and children, and
- Establish laws.

Your revenue at this time comes from your president's own company, but you expect you will raise money from the public over the next years. Your expenses will be for office rent, supplies, software, equipment, advertising, and welfare programs.

Law

IRC Section 501(c)(3) describes a corporation organized and operated exclusively for religious, charitable, educational, and other purposes, provided that no part of its net earnings inures to the benefit of any private shareholder or individual and which does not participate in, or intervene in, any political campaign on behalf of (or in opposition to) any candidate for public office.

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

Treas. Reg. Section 1.501(c)(3)-1(b)(1)(i) provides that an organization is organized exclusively for one or more exempt purposes only if its articles of organization limit its purposes to one or more exempt purposes and do not expressly empower it to engage, otherwise than as an insubstantial part, in activities which in themselves are not in furtherance of one or more exempt purposes.

Treas. Reg. Section 1.501(c)(3)-1(b)(4) provides that an organization is not organized exclusively for one or more exempt purposes unless its assets are dedicated to an exempt purpose. Assets will be considered dedicated if, upon dissolution, assets would be distributed for one or more exempt purposes.

Treas. Reg. Section 1.501(c)(3)-1(c)(1) provides that an organization will be regarded as "operated exclusively" for one or more exempt purposes only if it engages primarily in activities which accomplish one or more of such exempt purposes specified in IRC Section 501(c)(3). An organization will not be regarded as exempt if more than an insubstantial part of its activities furthers a non-exempt purpose.

Treas. Reg. Section 1.501(c)(3)-1(c)(3)(i) states that an organization is not operated exclusively for one or more exempt purposes if it is an "action" organization as defined in subdivisions (ii), (iii), or (iv) of this subparagraph.

Treas. Reg. Section 1.501(c)(3)-1(c)(3)(ii) states that an organization is an "action" organization if a substantial part of its activities is attempting to influence legislation by propaganda or otherwise. For this purpose, an organization will be regarded as attempting to influence legislation if the organization:

- (a) Contacts, or urges the public to contact, members of a legislative body for the purpose of proposing, supporting, or opposing legislation; or
- (b) Advocates the adoption or rejection of legislation.

The term legislation, as used in this subdivision, includes action by the Congress, by any State legislature, by any local council or similar governing body, or by the public in a referendum, initiative, constitutional amendment, or similar procedure. An organization will not fail to meet the operational test merely because it advocates, as an insubstantial part of its activities, the adoption or rejection of legislation.

Treas. Reg. Section 1.501(c)(3)-1(c)(3)(iii) provides that an organization is an “action” organization if it participates or intervenes, directly or indirectly, in any political campaign on behalf of or in opposition to any candidate for public office.

Revenue Ruling 66-256, 1966-2 C.B. 210, states that a nonprofit organization formed to conduct public forums at which lectures and debates on social, political, and international matters are presented qualifies for exemption from federal income tax under IRC Section 501(c)(3).

In Better Business Bureau of Washington, D.C., Inc. v. United States, 326 U.S. 279 (1945), the Supreme Court held that the presence of a single non-exempt purpose, if substantial in nature, will destroy a claim for exemption regardless of the number or importance of truly exempt purposes. Thus, the operational test standard prohibiting a substantial non-exempt purpose is broad enough to include inurement, private benefit, and operations that further nonprofit goals outside of the scope of IRC Section 501(c)(3).

Application of law

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

You do not meet the organizational test under Treas. Reg. Section 1.501(c)(3)-1(b)(1)(i) because your Articles of Incorporation do not limit your purposes to one or more exempt purposes specified in IRC Section 501(c)(3). Additionally, your articles are silent regarding the disposition of your assets upon your dissolution, which also precludes exemption as described in Treas. Reg. Section 1.501(c)(3)-1(b)(4).

Although you will provide some services and care for individuals in your community, more than an insubstantial amount of your activities furthers the purpose of creating and maintaining a political party in D. Therefore, you are not operated exclusively for one or more exempt purposes as set forth in Treas. Reg. Section 1.501(c)(3)-1(c)(1).

You do not meet the operational test under IRC Section 501(c)(3) because you are an “action” organization, as described in Treas. Reg. Section 1.501(c)(3)-1(c)(3)(i). As explained in Treas. Reg. Section 1.501(c)(3)-1(c)(3)(ii), an organization is an “action” organization if a substantial part of its activities is attempting to influence legislation by advocating for the adoption or rejection of legislation. A substantial part of your activities includes attempting to establish laws in the foreign country of D. As further explained in Treas. Reg. Section 1.501(c)(3)-1(c)(3)(iii), you are also disqualified from exemption under Section 501(c)(3) as an “action” organization because you will operate as a political party in D, where you will participate in or intervene, directly or indirectly, in a political campaign on behalf of or in opposition to any candidate for public office.

You are dissimilar to the organization described in Rev. Rul. 66-256 because you are not conducting balanced public forums on political or international issues. Rather, you are creating and supporting a specific foreign political party, which will include the establishment of laws, which is a non-exempt purpose. This substantial non-exempt purpose, as explained in Better Business Bureau of Washington, D.C., Inc., destroys your claim for exemption regardless of the number or importance of truly exempt purposes.

Conclusion

Based on the above facts and analysis, you do not qualify for exemption under IRC Section 501(c)(3). You fail both the organizational and operational tests. You fail the organizational test because your organizing document doesn't limit your purposes to those described in Section 501(c)(3) and your assets are not dedicated to an exempt purpose upon your dissolution. You fail the operational test because you were formed for the substantial non-exempt purpose of establishing and promoting a political party and related legislative activities in D. Accordingly, you are precluded from exemption under Section 501(c)(3).

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