



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

Date:  
01/12/2023  
Taxpayer ID number (last 4 digits):

Form:

Release Number: 202319023  
Release Date: 5/12/2023  
UIL Code: 501.04-00

Tax periods ended:

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

Last day to file petition with United States  
Tax Court: 04/12/2023

**CERTIFIED MAIL - Return Receipt Requested**

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

**Why we are sending you this letter**

This is a final determination explaining why your organization doesn't qualify as an organization described in Internal Revenue Code (IRC) Section 501(c)(4) for the tax periods above.

In the future, if you believe your organization qualifies for tax-exempt status and would like a determination letter from the Internal Revenue Service, you can request a determination by filing Form 1024, Application for Recognition of Exemption Under Section 501(a), or Form 1024-A, Application for Recognition of Exemption Under Section 501(c)(4) of the IRC, (as applicable) and paying the required user fee.

Our adverse determination as to your exempt status was made for the following reasons: You have failed to establish that you were operated exclusively for the promotion of social welfare or engaged in promoting in some way the common good and general welfare of the people of the community within the meaning of IRC Section 501(c)(4). You have failed to produce documents or otherwise establish that you are not organized primarily for profit and that no part of your net earnings inures to the benefit of any private shareholder or individual.

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 **IRS.gov**.

**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 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. You can download a fillable petition or complaint form and get information about filing at each respective court's website listed below or by contacting the Office of the Clerk of the Court at one of the addresses below. Be sure to include a copy of this letter and any attachments and the applicable filing fee with the petition or complaint.

You can eFile your completed U.S. Tax Court petition by following the instructions and user guides available on the Tax Court website at [ustaxcourt.gov/dawson.html](https://ustaxcourt.gov/dawson.html). You will need to register for a DAWSON account to do so. You may also file your petition at the address below:

**United States Tax Court**  
400 Second Street, NW  
Washington, DC 20217  
[ustaxcourt.gov](https://ustaxcourt.gov)

The websites of the U.S. Court of Federal Claims and the U.S. District Court for the District of Columbia contain instructions about how to file your completed complaint electronically. You may also file your complaint at one of the addresses below:

**US Court of Federal Claims**  
717 Madison Place, NW  
Washington, DC 20439  
[uscfc.uscourts.gov](https://uscfc.uscourts.gov)

**US District Court for the District of Columbia**  
333 Constitution Avenue, NW  
Washington, DC 20001  
[dcd.uscourts.gov](https://dcd.uscourts.gov)

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.

#### **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:

Internal Revenue Service  
Taxpayer Advocate Office

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](https://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.

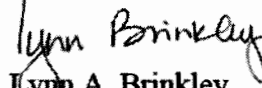
Find tax forms or publications by visiting [IRS.gov/forms](https://www.irs.gov/forms) or calling 800-TAX-FORM (800-829-3676). If you have questions, you can call the person shown at the top of this letter.

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.

You may fax your documents to the fax number shown above, using either a fax machine or online fax service. Protect yourself when sending digital data by understanding the fax service's privacy and security policies.

Keep the original letter for your records.

Sincerely,



Lynn A. Brinkley

Acting Director, Exempt Organizations Examinations

Enclosures:

Publication 1

Publication 594

Publication 892



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

Date:  
04/13/2022  
Taxpayer ID number:

Form:

Tax periods ended:

Person to contact:

Name:  
ID number:  
Telephone:  
Fax:  
Address:

**CERTIFIED MAIL – Return Receipt Requested**

Manager's contact information:

Name:  
ID number:  
Telephone:  
Response due date:  
05/13/2022

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

**Why you're receiving this letter**

We enclosed a copy of our audit report, Form 886-A, Explanation of Items, explaining that your organization doesn't qualify as an organization described in Internal Revenue Code (IRC) Section 501(c)(4).

This letter is not a determination of your tax-exempt status under IRC Section 501 for any period other than the tax periods above.

**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)(4) 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.

In the future, if you believe your organization qualifies for tax-exempt status and would like a status determination letter from the IRS, you can request a determination by filing Form 1024, Application for Recognition of Exemption Under Section 501(a), and paying the required user fee.

**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](http://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](http://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,

**Christopher M. Holmes** Digitally signed by Christopher M. Holmes  
Date: 2022.04.12 12:59:23 -0700  
for Lynn A. Brinkley  
Acting Director, Exempt Organizations Examinations

**Enclosures:**

Form 4621-A

Form 886-A

Form 6018

Publication 892

Publication 3498

|                                 |  |                            |
|---------------------------------|--|----------------------------|
| Form <b>886-A</b><br>(May 2017) | Department of the Treasury - Internal Revenue Service<br><b>Explanation of Items</b> | Schedule number or exhibit |
| Name of taxpayer                | Tax Identification Number ( <i>last 4 digits</i> )                                   | Year/Period ended          |

**ISSUES:**

Whether \_\_\_\_\_ qualifies to be exempt under section 501(c)(4) of the Internal Revenue Code ("IRC").

**FACTS:**

Background

( \_\_\_\_\_ ) was incorporated in the state of \_\_\_\_\_ by \_\_\_\_\_ on \_\_\_\_\_.

The one-page article of incorporation states:

- the \_\_\_\_\_ name is \_\_\_\_\_, a \_\_\_\_\_ Non Profit Religious Corporation,
- its specific purpose is "to provide religious education programs and to continue development of religious educations", and
- it is organized and operated exclusively for charitable purpose within the meaning of IRC section 501(c)(3).

Per the Internal Revenue Service's ("Service") records, no Form 1023, *Application for Recognition of Exemption under Section 501(c)(3) of the Internal Revenue Code*, has been filed for the \_\_\_\_\_.

Form \_\_\_\_\_ (e-Postcard)

Beginning with the \_\_\_\_\_ fiscal year, ending \_\_\_\_\_, the \_\_\_\_\_ began submitting Form \_\_\_\_\_, and selected that it was exempt under IRC section 501(c)(4).

Per the Service's records, no Form 8976, *Notice of Intent to Operate Under Section 501(c)(4)*, notifying the Service of its intent to operate as a section 501(c)(4) organization has been filed by the \_\_\_\_\_.

The filed Forms \_\_\_\_\_ listed the \_\_\_\_\_ name as \_\_\_\_\_ and stated the following information:

| Tax Year | Tax Period | Principal Officer's Name | Principal Officer's Address |
|----------|------------|--------------------------|-----------------------------|
|          | to         |                          |                             |
|          | to         |                          |                             |
|          | to         |                          |                             |
|          | to         |                          |                             |
|          | to         |                          |                             |

|                                 |  |                            |
|---------------------------------|--|----------------------------|
| Form <b>886-A</b><br>(May 2017) | Department of the Treasury - Internal Revenue Service<br><b>Explanation of Items</b> | Schedule number or exhibit |
| Name of taxpayer                | Tax Identification Number ( <i>last 4 digits</i> )                                   | Year/Period ended          |

**Examination**

An information document request was sent to the \_\_\_\_\_ by the initial examining revenue agent on \_\_\_\_\_. No response was received from the \_\_\_\_\_ and a delinquency notice was sent on \_\_\_\_\_. Additionally, the \_\_\_\_\_ was notified of the Service's intent to make third party contacts in a letter sent on \_\_\_\_\_.

The subsequent examining revenue agent ("agent") attempted to locate the \_\_\_\_\_ officers, for the present and prior exam years, and was able to locate \_\_\_\_\_, the primary officer listed on the \_\_\_\_\_ Form \_\_\_\_\_. A third-party summons for \_\_\_\_\_ testimony and available records was hand delivered to his last known personal residence on \_\_\_\_\_.

**Interview**

On \_\_\_\_\_, an individual answering to the name of \_\_\_\_\_ presented himself to the agent at the Service office located in \_\_\_\_\_. Upon examining his identification, the agent determined that this was not \_\_\_\_\_ but an acquaintance. The interview was rescheduled to the following day. \_\_\_\_\_ presented himself on \_\_\_\_\_, for an interview and to provide available documents. Key points taken from the interview were:

- changes to the \_\_\_\_\_ accreditation authority caused a rush in the creation of post-secondary schools,
- \_\_\_\_\_ stated he had incorporated the \_\_\_\_\_ and multiple other organizations with the state of \_\_\_\_\_ at the behest of individuals that he declined to name,
- he was asked to help due to his familiarity with the school accreditation process,
- he was involved in the filing of the Forms \_\_\_\_\_,
- \_\_\_\_\_ also goes by the name \_\_\_\_\_,
- the \_\_\_\_\_ address was owned by an associate of \_\_\_\_\_, who allowed him to use various suite numbers for mailing purposes based on vacancy,
- the \_\_\_\_\_ address was a mailbox set up by \_\_\_\_\_ to handle the dissolution of the \_\_\_\_\_,
- the \_\_\_\_\_ address is a residential rental property owned by \_\_\_\_\_, and
- the \_\_\_\_\_ had never been active.

\_\_\_\_\_ stated that he was a consultant and not involved in the day-to-day operations for the \_\_\_\_\_. When asked to list any of the other board members or provide the name of the individual who enlisted his services, \_\_\_\_\_ stated he did not remember or declined to answer.

**LAW:**

IRC section 501(c)(4)(A) exempts from Federal income tax civic leagues or organizations not organized for profit but operated exclusively for the promotion of social welfare, or local associations of employees, the membership of which is limited to the employees of a designated person or persons in a particular municipality, and the net earnings of which are devoted exclusively to

|                                 |  |                            |
|---------------------------------|--|----------------------------|
| Form <b>886-A</b><br>(May 2017) | Department of the Treasury - Internal Revenue Service<br><b>Explanation of Items</b> | Schedule number or exhibit |
| Name of taxpayer                | Tax Identification Number <i>(last 4 digits)</i>                                     | Year/Period ended          |

charitable, education, or recreational purposes.

Section 1.501(c)(4)-1(a)(2)(i) of the Federal Tax Regulations 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 betterments and social improvements.

**TAXPAYER'S POSITION:**

The \_\_\_\_\_ position is unknown at this time; however, the \_\_\_\_\_ has dissolved with the state of \_\_\_\_\_ as of \_\_\_\_\_.

**GOVERNMENT'S POSITION:**

It is the government's position that the \_\_\_\_\_ has failed to meet the requirements to be exempt under IRC section 501(c)(4). The articles of incorporation and the interview indicates that the \_\_\_\_\_ was not created for the exclusive promotion of social welfare. Additionally, there was no evidence that the \_\_\_\_\_ engaged in any activity that supported its exempt purpose.

**CONCLUSION:**

Based upon the facts and circumstances, \_\_\_\_\_ has failed to meet the requirements for an organization exempt under IRC Section 501(c)(4). The government proposes that the \_\_\_\_\_ be disqualified for the tax period ending \_\_\_\_\_.