



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

Number: 202336029  
Release Date: 9/8/2023

Date:  
June 12, 2023  
Taxpayer ID number (last 4 digits):

Form:

Tax periods ended:

Person to contact:

Name:

ID number:

Telephone:

Fax:

Last day to file petition with United States  
Tax Court:

UIL: 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 January 1, 2020. Your determination letter dated is revoked.

Our adverse determination as to your exempt status was made for the following reasons: Organizations described in Section 501(c)(3) of the Internal Revenue Code and exempt under Section 501(a) must be both organized and operated exclusively for exempt purposes. You have failed to produce documents to establish that no part of your net earnings inures to the benefit of private shareholders or individuals. You failed to respond to repeated reasonable requests to allow the Internal Revenue Service to examine your records regarding your receipts, expenditures, or activities as required by sections 6001 and 6033(a)(1) of the Code and Rev. Rul. 59-95, 1959-1 C.B. 627. Further, the Articles of Incorporation available for the Organization do not comply with the requirements of I.R.C. § 501(c) as they do not contain a purpose or dissolution clause that permanently dedicates the organization's operations and assets to Section 501(c)(3).

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](https://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 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.

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](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.

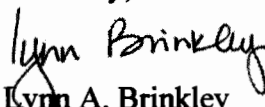
Find tax forms or publications by visiting [IRS.gov/forms](https://www.irs.gov/forms) or calling 800-TAX-FORM (800-829-3676). If you have questions, you can call the person shown at the top of this letter.

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

Director, Exempt Organizations Examinations

Enclosures:  
Publication 1  
Publication 594  
Publication 892



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

**Date:**  
January 25, 2023  
**Taxpayer ID number:**

**Form:**

**Tax periods ended:**

**Person to contact:**

**Name:**  
**ID number:**  
**Telephone:**  
**Fax:**

**Manager's contact information:**

**Name:**  
**ID number:**  
**Telephone:**  
**Response due date:**

**CERTIFIED MAIL – Return Receipt Requested**

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

**Why you're receiving this letter**

**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](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,



for Lynn A Brinkley

Director, Exempt Organizations Examinations

**Enclosures:**

Form 886-A

Form 6018

Form 4621-A

Publication 3498-A

Publication 892

Form <b>886A</b>	Department of the Treasury - Internal Revenue Service <b>Explanation of Items</b>	Schedule No. or Exhibit
Name of Taxpayer		Year/Period Ended

**Date of Notice:**

**Issues:**

Whether (the organization), which qualified for exemption from Federal income tax under Section 501(c)(3) of the Internal Revenue Code, should be revoked due to its failure to respond and produce records to substantiate that the organization is meeting the organizational and operational tests?

**Facts:**

applied for tax-exempt status by filing the

, on , and was granted tax-exempt status as a 501(c)(3) on , with an effective date of

The organization attested on , part II, box 2 that they have the organizing document necessary for their organizational structure.

Section 501(c)(3) requires that an organizing document must limit their purposes to one or more exempt purposes within section 501(c)(3). The organization attested that their organizing document contains this limitation.

They also attested that their organizing document does not expressly empower them to engage, other than as an insubstantial part of their activities, in activities that in themselves are not in furtherance of one or more exempt purposes.

The organization attested that their organizing document contains the dissolution provision required under section 501(c)(3) or that they did not need an express dissolution provision in their organizing document because they rely on the operation of state law in the state in which they are formed for their dissolution provision.

An organization exempt under 501(c)(3) needs to be organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary or educational purposes and to foster national and amateur sports competition.

The organization was selected for audit to ensure that the activities and operations align with their approved exempt status.

The organization failed to respond to the Internal Revenue Service attempts to obtain information to perform an audit of for the tax year

The organization has not filed a series return for the tax years ending through tax year.

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The \_\_\_\_\_ application list the phone number as \_\_\_\_\_ for the president, \_\_\_\_\_, of \_\_\_\_\_

Per the State of \_\_\_\_\_ website, it lists the organization as active and in good standing. The website also provided a copy of the organizational documents. The initial Articles of Incorporation were filed \_\_\_\_\_, with a subsequent amendment filed \_\_\_\_\_

The Articles of Incorporation, filed with \_\_\_\_\_ State on \_\_\_\_\_, do not contain a purpose or dissolution clause that permanently dedicates the organization's operations and assets to Section 501(c)(3). The purpose clause within the Articles states the following:

The Amendment to the Articles, filed with \_\_\_\_\_ State on \_\_\_\_\_, amend \_\_\_\_\_ addresses and officers with no change to the language of the Articles.

The organization was informed that the Articles of Incorporation did not meet the requirements and must be amended with the Information Document Request.

- Correspondence for the audit was as follows:
  - Letter 6031 (Rev. 11-2020), *Initial Exam Appointment*, with attachments, was mailed to the organization on \_\_\_\_\_, with a response date of \_\_\_\_\_. This letter was not returned by the post office as being undeliverable.
  - Letter 6031 (Rev. 3-2022), *Initial Exam Appointment*, with attachments, was securely emailed, per organization request, to \_\_\_\_\_, on \_\_\_\_\_, with a response date of \_\_\_\_\_. This letter was not returned by the post office as being undeliverable. The organization confirmed receipt via email on \_\_\_\_\_, indicating the documents would be sent on \_\_\_\_\_.
  - Letter 3844-A (Rev. 10-2021), *Follow-Up - Exempt Organizations Compliance Area*, with attachments, was emailed to the organization on \_\_\_\_\_, with a response date of \_\_\_\_\_.
  - Letter 5077-B (1-2017), *TE/GE IDR Delinquency Notice*, was mailed to the organization's \_\_\_\_\_ address, on \_\_\_\_\_, with a response date of \_\_\_\_\_.

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<b>Name of Taxpayer</b>		<b>Year/Period Ended</b>

This letter was mailed Certified Article Number \_\_\_\_\_  
. Per USPS tracking, as of \_\_\_\_\_, this letter  
was still in transit.

- Letter 5077-B (1-2017), *TE/GE IDR Delinquency Notice*, was mailed to the organization's \_\_\_\_\_ address, on \_\_\_\_\_, with a response date of \_\_\_\_\_. This letter was mailed Certified Article Number \_\_\_\_\_. Per USPS tracking, this letter was delivered on \_\_\_\_\_.
- Telephone contact for the audit was as follows:
  - \_\_\_\_\_, Tax Compliance Officer (TCO) received a phone call from organization confirming receipt of letter and due date.
  - \_\_\_\_\_, TCO attempted to contact organization and received VMS. Left a message requesting a call back.
  - \_\_\_\_\_, TCO attempted to contact organization with no answer.
  - \_\_\_\_\_ – case transferred to a new TCO:
    - \_\_\_\_\_, TCO attempted to contact \_\_\_\_\_, President of the organization, at two separate numbers found. Numbers attempted were found on \_\_\_\_\_ and Amended Articles of Incorporation \_\_\_\_\_. Both numbers had generic voicemail boxes with no identifying information. TCO left a generic phone message asking for a call back. \_\_\_\_\_ called back, verified title/authority. During the call, \_\_\_\_\_ verified receipt of initial letter with an incorrect Employer Identification Number and provided email address to forward future information to.
    - \_\_\_\_\_, TCO contacted \_\_\_\_\_ to advise that the indicated response had not been received. He stated he would check with his secretary and provide the tracking information as soon as possible.
    - \_\_\_\_\_, TCO attempted to contact \_\_\_\_\_ with no answer, left a VM to please call back.
    - \_\_\_\_\_, TCO attempted outcall to \_\_\_\_\_ with no answer. TCO sent email to \_\_\_\_\_ asking for a phone call.



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**Law:**

**Internal Revenue Code (IRC) §501(c)(3)** of the Code provides that an organization organized and operated exclusively for charitable or educational purposes is exempt from Federal income tax, provided no part of its net earnings inures to the benefit of any private shareholder or individual.

**IRC §511** of the Internal Revenue Code imposes a tax at corporate rates under section 11 on the unrelated business taxable income of certain tax-exempt organizations.

**IRC §6001** of the Code provides that every person liable for any tax imposed by this title, or for the collection thereof, shall keep such records, render such statements, make such returns, and comply with such rules and regulations as the Secretary may from time to time prescribe. Whenever in the judgment of the Secretary it is necessary, he may require any person, by notice served upon such person or by regulations, to make such returns, render such statements, or keep such records, as the Secretary deems sufficient to show whether or not such person is liable for tax under this title.

**IRC §6033(a)(1)** of the Code provides, except as provided in section 6033(a)(2), every organization exempt from tax under section 501(a) shall file an annual return, stating specifically the items of gross income, receipts and disbursements, and such other information for the purposes of carrying out the internal revenue laws as the Secretary may by forms or regulations prescribe, and keep such records, render under oath such statements, make such other returns, and comply with such rules and regulations as the Secretary may from time to time prescribe.

**Treasury Regulations (Regulation) 1.501(c)(3)-1** In order to be exempt under §501(c)(3) the organization must be both organized and operated exclusively for one or more of the purposes specified in the section. (religious, charitable, scientific, testing for public safety, literary or educational).

**Regulation §1.501(c)(3)-1(a)(1)** of the regulations states that in order to be exempt as an organization described in 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.

**Regulation §1.501(c)(3)-1(c)(1)** of the regulations provides that an organization will not be regarded as "operated exclusively" for one or more exempt purposes described in section 501(c)(3) of the Code if more than an insubstantial part of its activities is not in furtherance of a 501(c)(3) purpose. Accordingly, the organization does not qualify for exemption under section 501(c)(3) of the Code.

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**Regulation §1.6001-1(c)** of the Code provides that such permanent books and records as are required by paragraph (a) of this section with respect to the tax imposed by section 511 on unrelated business income of certain exempt organizations, every organization exempt from tax under section 501(a) shall keep such permanent books of account or records, including inventories, as are sufficient to show specifically the items of gross income, receipts, and disbursements. Such organizations shall also keep such books and records as are required to substantiate the information required by section 6033. See section 6033 and §§ 1.6033-1 through 1.6033-3.

**Regulation §1.6001-1(e)** of the Code provides that the books or records required by this section shall be kept at all time available for inspection by authorized internal revenue officers or employees, and shall be retained as long as the contents thereof may be material in the administration of any internal revenue law.

**Regulation §1.6033-1(h)(2)** of the regulations provides that every organization which has established its right to exemption from tax, whether or not it is required to file an annual return of information, shall submit such additional information as may be required by the district director for the purpose of enabling him to inquire further into its exempt status and to administer the provisions of subchapter F (section 501 and the following), chapter 1 of the Code and section 6033.

**Regulation §1.61-1** of the regulations provides that Gross income means all income from whatever source derived, unless excluded by law. Gross income includes income realized in any form, whether in money, property, or services. Income may be realized, therefore, in the form of services, meals, accommodations, stock, or other property, as well as in cash.

**Rev. Rul. 59-95, 1959-1 C.B. 627**, concerns an exempt organization that was requested to produce a financial statement and statement of its operations for a certain year. However, its records were so incomplete that the organization was unable to furnish such statements. The Service held that the failure or inability to file the required information return or otherwise to comply with the provisions of section 6033 of the Code and the regulations which implement it, may result in the termination of the exempt status of an organization previously held exempt, on the grounds that the organization has not established that it is observing the conditions required for the continuation of exempt status.

**Rev. Proc. 2022-5, Sec 11.02 (3)**, Inaccurate information on request. A determination letter issued to an organization that submitted a request in accordance with this revenue procedure may not be relied upon by the organization submitting the request if it was based on any inaccurate material information submitted by the organization. Inaccurate material information includes an incorrect representation or attestation as to the organization's organizational documents, the organization's exempt purpose, the organization's conduct of prohibited and restricted activities, or the organization's eligibility to file Form 1023-EZ.

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<b>Name of Taxpayer</b>		<b>Year/Period Ended</b>

### Organization's Position

Taxpayer's position is unknown at this time.

### Government's Position

Based on the above facts, the organization did not respond to verify that they are organized and operated exclusively for one or more of the purposes specified in IRC Section 501(c)(3). If an organization fails to meet either the organizational test or the operational test, it is not exempt.

In accordance with the above-cited provisions of the Code and regulations under sections 6001 and 6033, organizations recognized as exempt from federal income tax must meet certain reporting requirements. These requirements relate to the filing of a complete and accurate annual information (and other required federal tax forms) and the retention of records sufficient to determine whether such entity is operated for the purposes for which it was granted tax-exempt status and to determine its liability for any unrelated business income tax.

Section 1.6033-1(h)(2) of the regulations specifically state that exempt organizations shall submit additional information for the purpose on enabling the Internal Revenue Service to inquire further into its exempt status.

Using the rationale that was developed in Revenue Ruling 59-95, the Organization's failure to provide requested information should result in the termination of exempt status.

### Conclusion:

Based on the foregoing reasons, the organization does not qualify for exemption under section 501(c)(3) and its tax-exempt status should be revoked.

It is the IRS's position that the organization failed to establish that it meets the reporting requirements under IRC §§ 6001 and 6033 to be recognized as exempt from federal income tax under IRC § 501(c)(3). Furthermore, the organization has not established that it is observing the conditions required for the continuation of its exempt status or that it is organized and operated exclusively for an exempt purpose. Accordingly, the organization's exempt status is revoked effective

after \_\_\_\_\_, should be filed for the tax periods