



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

Date:  
04/25/2023  
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:  
07/24/2023

Release Number: 202339043  
Release Date: 9/29/2023  
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: Organizations described in IRC Section 501(c)(3) and exempt under IRC Section 501(a) must be both organized and operated exclusively for charitable, educational, or other exempt purposes within the meaning of IRC Section 501(c)(3). You have not demonstrated that you are operated exclusively for charitable, educational, or other exempt purposes within the meaning of IRC Section 501(c)(3) and that no part of your net earnings inure 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 IRC sections 6001, 6033(a)(1) and Rev. Rul. 59-95, 1959-1 C.B. 627.

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](http://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](http://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](http://uscfc.uscourts.gov)

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

*for Peter Lorenzetti, EO Exam NE Area Mgr*  
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  
Exempt Organizations Examinations**

**Date:**  
December 13, 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:**  
January 12, 2023

**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.

After we issue the final adverse determination letter, we'll announce that your organization is no longer eligible to receive tax deductible contributions under IRC Section 170.

**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**

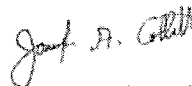
The Taxpayer Advocate Service (TAS) is an independent organization within the IRS that can help protect your taxpayer rights. TAS can offer you help if your tax problem is causing a hardship, or you've tried but haven't been able to resolve your problem with the IRS. If you qualify for TAS assistance, 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.

**For 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  
Acting Director  
Exempt Organizations Examinations

Enclosures:  
Form 886-A and Attachments  
Form 6018

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

**Issue:**

Whether (Taxpayer) continues to qualify for exemption from Federal income tax under section 501(a) of the Internal Revenue Code (Code) as a charitable organization described in Code section 501(c)(3).

**Facts:**

Taxpayer was incorporated in the State of on Taxpayer's organizing document, the Articles of Incorporation, provides in Article that the corporation is organized under the for public and charitable purposes. Article provides that the specific purpose of the corporation is to:

Article of Taxpayer's organizing document contains additional provisions that specify, in pertinent part, that the corporation is organized and operated exclusively for the purposes set forth in article within the meaning of Internal Revenue Code section 501(c)(3). Article also provides for a dissolution clause intended to allow Taxpayer to satisfy the organizational requirements for Federal exemption. A copy of Taxpayer's Articles of Incorporation, which was secured as a public document from the state website, is appended as Exhibit A.

Taxpayer's Articles of Incorporation identifies the incorporator as is also appointed as the registered agent for Taxpayer. The organizing document requires that applicants provide a complete business address that cannot be a P.O. Box or "in care of" an individual or entity. Taxpayer provided the following street address for the organization and its agent,

The address referenced above provided by Taxpayer in its Articles of Incorporation corresponds to a retail store named Mailbox, which offers mailbox services for its customers including a street address and mail forwarding services. A copy of the pertinent website content posted for Mailbox is appended as Exhibit B.

The initial mailing address for the organization provided by Taxpayer on the Articles of Incorporation filed with the state is:

The address in corresponds to a ( retail store which offers mailbox services. A copy of the pertinent website content posted by or on behalf of the

Form <b>886-A</b> (May 2017)	Department of the Treasury – Internal Revenue Service <b>Explanations of Items</b>	Schedule number or exhibit
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store is appended as Exhibit C. As described in Exhibit C, the following mailbox services are offered by \_\_\_\_\_ at its retail store located at \_\_\_\_\_ in \_\_\_\_\_

- \_\_\_\_\_
- Package and mail receipt notifications
- Mail holding and forwarding
- Call-in mail check

In \_\_\_\_\_ Taxpayer filed Form 1023-EZ, *Streamlined Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code*, with the Internal Revenue Service (IRS). Part I of the Form 1023-EZ requires applicant organizations to list the names, titles and mailing addresses of \_\_\_\_\_ is listed in \_\_\_\_\_ as the Executive Director with an address in \_\_\_\_\_ are also listed in \_\_\_\_\_ is identified as a director of the organization with a mailing address in \_\_\_\_\_ has the title Managing Director. The Form 1023-EZ application is signed by \_\_\_\_\_ as the Executive Director according to the declaration on \_\_\_\_\_

The mailing address furnished by Taxpayer on its Form 1023-EZ application for \_\_\_\_\_ the organization and its Managing Director, \_\_\_\_\_ is:

As noted above, the \_\_\_\_\_ address in \_\_\_\_\_ is the same mailing address listed on Taxpayer's Articles of Incorporation which corresponds to a mailbox at a \_\_\_\_\_ retail store.

In its Form 1023-EZ application, Taxpayer attested that it is \_\_\_\_\_ organized and operated exclusively for charitable purposes. Taxpayer did not furnish a copy of its Articles of Incorporation since the organizing document is not required to be filed with the streamlined Form 1023-EZ. Based on the representations and attestations made by Taxpayer in its Form 1023-EZ, the IRS issued a favorable determination letter dated \_\_\_\_\_ granting Taxpayer recognition of exemption under section 501(c)(3) of the Code effective \_\_\_\_\_. Taxpayer was classified as a public charity under sections 509(a)(1) and 170(b)(1)(A)(vi) of the Code based on its attestation regarding public support in Part IV of the Form 1023-EZ.

IRS records show that Taxpayer filed Form 990-N, *Electronic Notice (e-Postcard)*, for the \_\_\_\_\_ through \_\_\_\_\_ inclusive. Taxpayer filed Form 990-N in lieu of a Form 990 or Form 990-EZ return. The organization indicated on Form 990-N that its gross receipts are normally \$ \_\_\_\_\_. The address reported by Taxpayer on its Forms 990-N is the same address reported on the Form 1023-EZ:

Form <b>886-A</b> (May 2017)	Department of the Treasury – Internal Revenue Service <b>Explanations of Items</b>	Schedule number or exhibit
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In \_\_\_\_\_ the Tax Exempt and Governmental Entities (TE/GE) division of the IRS selected Taxpayer for examination of its books and records covering the \_\_\_\_\_ The notice of examination package, which is dated \_\_\_\_\_ consists of IRS letter #6031, Form 4564, *Information Document Request (IDR)*, Publication 1, *Your Rights as a Taxpayer*, Notice 609, *Privacy Act Notice*, and Publication 3498-A, *The Examination Process (Audits by Mail)*. The notice of examination package was mailed to Taxpayer at the last known address on file for the organization, which is as follows:

c/o

As noted on \_\_\_\_\_ IDR issued with the examination notice, the examination of Taxpayer's books and records is intended to verify that the organization:

1. Operates in accordance with section 501(c)(3) of the Code
2. Is eligible to file Form 990-N based on gross receipts, and
3. Filed all required returns including information returns.

As part of standard audit procedures, the \_\_\_\_\_ requested that Taxpayer furnish certain records and information needed to determine whether the organization is operating in furtherance of charitable and other exempt purposes described in section 501(c)(3) of the Code. IDR issued to Taxpayer on \_\_\_\_\_ requests copies of the following records and information covering the \_\_\_\_\_ under examination:

- Chart of accounts
- General ledger
- Adjusted trial balance
- Cash disbursements journal.
- Monthly bank statements for Taxpayer's primary operating (checking) account together with canceled checks or check images furnished by the bank.
- Monthly statements for all credit cards that may have been issued to Taxpayer.
- Minutes of meetings held by Taxpayer's Board of Directors and committees of the Board.
- Internal policies and procedures regarding the handling and recording of cash donations.
- Lease agreements and other information relating to any office or other facility used by Taxpayer to conduct activities.
- Contracts and other arrangements with individuals and/or organizations which solicit and raise funds for Taxpayer including, but not limited to, professional fundraising organizations.



Form <b>886-A</b> (May 2017)	Department of the Treasury – Internal Revenue Service <b>Explanations of Items</b>	Schedule number or exhibit
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- The organization’s website address, if any, and the identity of the party that hosts the website. If no website is maintained, Taxpayer was requested to provide copies of records which describe the activities conducted in . In the absence of formal marketing and fundraising materials, Taxpayer was asked to provide a statement describing the activities, services, programs, and events conducted by the organization in .
- Information regarding the accounting software used by Taxpayer for preparation of its books and records.

The response due date for IDR was . Taxpayer did not respond to the IDR or otherwise contact the or the by the due date. In accordance with established IRS procedures, a follow-up “Delinquency Notice” letter was issued to Taxpayer with a copy of IDR on with a response due date of . The delinquency notice states, in part, that if the organization does not fully respond to the IDR by the response due date, the IRS will propose revocation of Taxpayer’s exempt status. The delinquency notice was not returned by the post office as undeliverable.

Taxpayer did not respond to the delinquency notice or otherwise contact the the nor the subsequently received any of the requested records and information from or any other officer or director of the organization.

Despite its name, there is no evidence that Taxpayer is an of the of within . The Taxpayer is not among listed. The Form 990-N filed by Taxpayer with the IRS in identifies a ( ) in section E. The was not able to locate the website domain address referenced on the Form 990-N. There is no website listed on Form 990-N filed by Taxpayer for the subsequent years including the tax year under exam.

A search of the State of corporate database, which provides information on the status of entities incorporated under state law, shows that Taxpayer is currently suspended and in inactive status. A copy of the entity status search secured from the state’s online database is appended as Exhibit D.

**Applicable Law:**

Section 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.

Section 1.501(c)(3)-1(a)(1) of the Treasury Regulations states that 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 - charitable, religious,

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—		

educational, scientific, literary, testing for public safety, or for the prevention of cruelty to children or animals. If an organization fails to meet either the organizational test or the operational test, it is not exempt.

Section 1.501(c)(3)-1(c) of the regulations describes the operational test requirements for 501(c)(3) exemption. The operational test focuses on how the organization is actually operated, regardless of whether it is properly organized for tax-exempt purposes.

Section 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). An organization will not be so regarded if more than an insubstantial part of its activities is not in furtherance of an exempt purpose. This is referred to as the "primary activities" test.

Section 1.501(c)(3)-1(c)(2) of the regulations provides that an organization is not operated exclusively for one or more exempt purposes if its net earnings inure in whole or in part to the benefit of private shareholders or individuals.

Section 511 of the Code imposes a tax at corporate rates under section 11 on the unrelated business taxable income of certain tax-exempt organizations.

Section 6001 of the Code provides, in part, 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.

Section 1.6001-1(c) of the regulations provides that in addition to 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 regulations sections 1.6033-1 through 1.6033-3.

Section 1.6001-1(e) of the regulations provides that the books or records required by this section shall be kept at all times 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.

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

Section 6033 of the Code provides, in general, that every organization exempt under IRC 501(a) shall file an annual return, stating specifically the items of gross income, receipts, and disbursements, and such other information for the purpose of carrying out the Internal Revenue laws as the Secretary may by forms of regulations prescribe, and shall 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.

Section 6033 of the Code provides an exception to the annual filing requirement in the case of an organization described in section 501(c) (other than a private foundation or a supporting organization described in section 509(a)(3)) the gross receipts of which in each taxable year are normally not more than \$50,000. See section 1.6033-2(g)(1)(iii) of the regulations.

Section 1.6033-2(g)(5) of the regulations provide that an organization that is not required to file an annual return by virtue of the gross receipts exception must submit an annual electronic notice notification as described in section 6033(i) of the Code.

Section 1.6033-2(i)(2) of the regulations provides that every organization which is exempt from tax, whether or not it is required to file an annual information return, shall submit such additional information as may be required by the Internal Revenue Service for the purpose of inquiring into its exempt status and administering the provisions of subchapter F (section 501 and following), chapter 1 of subtitle A of the Code and section 6033.

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.

**Organization's Position:**

Taxpayer's position is unknown at this time.

**Government's Position:**

*Analysis*

The facts indicate that Taxpayer received recognition of exemption under section 501(c)(3) of the Code in \_\_\_\_\_ based on information presented in its Form 1023-EZ application. Taxpayer attested that it is \_\_\_\_\_ organized and operated exclusively for charitable purposes.

Form <b>886-A</b> (May 2017)	Department of the Treasury – Internal Revenue Service <b>Explanations of Items</b>	Schedule number or exhibit
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The TE/GE division of the IRS maintains an examination program for exempt organizations to determine whether they are complying with statutory requirements regarding their tax-exempt status, the proper filing of returns, and other tax reporting matters. Taxpayer filed Form 990-N, an electronic notice, for the

*Operational Test Not Met*

Taxpayer was selected for audit to ensure that the organization’s activities and operations align with their approved exempt status and to verify that the filing of Form 990-N was proper based on the organization’s gross receipts.

Section 6001 of the Code and the regulations thereunder impose requirements on exempt organizations to keep books and records to substantiate information required under section 6033 of the Code. Although Taxpayer filed an electronic notice in lieu of a return, the organization is nevertheless required to produce records and other information requested by the IRS to verify that it operates in furtherance of its exempt purpose. See regulations section 1.6033-2(i)(2).

As part of standard audit procedures, the requested basic financial records including books of account, minutes of Board meetings and records and information pertaining to Taxpayer’s activities. Such records and information are needed to verify whether Taxpayer continues to be operated exclusively for one or more of the exempt purposes specified in section 501(c)(3) of the Code. Taxpayer failed to respond to repeated reasonable requests to allow the IRS to examine its books and records including its receipts, disbursements, and other items required to be kept and maintained pursuant to sections 6001 and 6033(a)(1) of the Code.

Accordingly, Taxpayer has failed to meet the requirements of section 501(c)(3) of the Code and sections 1.501(c)(3)-1(a) and 1.501(c)(3)-1(c) of the regulations, in that the organization has not established that it is operated exclusively for exempt purposes and that no part of its net earnings inures to the benefit of private shareholders or individuals. See also Rev. Rul. 59-95.

**Conclusion:**

For the reasons stated above, the IRS has determined that Taxpayer is no longer exempt from Federal income tax under section 501(a) of the Code as an organization described in Code section 501(c)(3). The IRS is proposing to revoke Taxpayer’s 501(c)(3) tax-exempt status effective the of the under examination.

Please note that this Form 886-A, *Explanation of Items*, which is also known as the revenue agent report (RAR), constitutes an integral part of the attached 30-day letter #3618. Please refer to the attached letter #3618 for additional information including appeals rights and other options available to the organization and, the instructions for how to respond.