



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

Date: September 20, 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:

Release Number: 202350017

Release Date: 12/15/2023

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 provided a written statements explaining your organization has not operated for 12 years (approximately). Per records, for an extended period of time, your organization has not had a bank account, a General Ledger, income, expenses, assets, liabilities, nor any financial activities; it has not conducted any operations; and the Board has not met. To operate within the meaning of IRC Section 501(c)(3), you must be organized and operated exclusively for exempt purposes, and ensure that no part of your net earnings inure to the benefit of private shareholders or individuals. Given that your Organization is not organized nor operating in furtherance of its exempt purpose, your Organization does not qualify for exemption under IRC Sec. 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. 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

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

US District Court for the District of Columbia
333 Constitution Avenue, NW
Washington, DC 20001
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:

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.

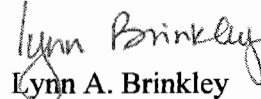
Find tax forms or publications by visiting [IRS.gov/forms](https://www.irs.gov/forms) or calling 800-TAX-FORM (800-829-3676). If you have questions, you can call the person shown at the top of this letter.

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**
Exempt Organizations Examinations

Date:
07/25/2023
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:
08/24/2023

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 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 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,

Denise Gonzalez for

Lynn A. Brinkley
Director, Exempt Organizations
Examinations

Enclosures:
Form 886-A
Form 6018
Publication 892
Publication 3498

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

ISSUE:

Whether _____'s tax-exempt status under Internal Revenue Code (IRC) Section 501(c)(3) should be revoked because it has no operations or activities for the past _____ years which includes the year of examination.

FACTS:

_____ (hereafter referred to as the "Organization") was recognized as a Section 501(c)(3) organization pursuant to a ruling dated _____. The Organization was classified as a supporting organization described in Section 509(a)(3). The ruling did not specify whether the Organization is a Type I, Type II, or Type III supporting organization.

The Organization was incorporated in the State of _____ as a Non-Profit Corporation on _____. The Organization's purposes were described in its Articles of Incorporation as

The Organization's initial activities were stated in its application for exemption as

_____, and _____.

The Organization's Form 990-EZ for the tax year ended _____ was selected for examination. The return reported that the Organization was inactive and had no financial activities:

Revenue \$
Expenses \$
Assets \$
Liabilities \$

Based on inspection of prior and subsequent years' Forms 990-EZ from tax years _____ to _____, the Organization has consistently stated that it has not conducted any activities and has consistently reported _____ financials on the returns.

During the initial discussion on _____, _____ who was the Executive Director and signed the return for the Organization, stated that the Organization has not been operational for _____ years but decided to continue to file the annual return with _____. She was

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

also the executive director for the supported organization, _____ . She indicated that they have not dissolved the Organization because they were not sure if it may be operational again in the future.

In addition, the Organization submitted a response by fax on _____ , to the Service's information and document requests. The response contained a signed letter dated _____ , to confirm the inactivity, which stated:

" _____ (_____) has no bank accounts, general ledger, income, expenses, assets, or liabilities. Furthermore, for the past _____ years, no board meetings were held, and _____ did not enter into any leases, contracts, or agreements or publish any brochures, pamphlets, documents, or other materials. _____ is essentially inactive and has not engaged in any activities during this time.

_____ (_____) was created to serve as a supporting organization for the _____ - _____ (_____ - _____), however _____ has essentially been inactive for the _____ years or more.

We continued to file the 990EZ with \$ _____ financials because this is what was done in previous years, and our auditors never flagged it as an issue."

According to the official site of _____ Secretary of State, the Organization's current non-profit corporate status is still active.

LAWS:

Internal Revenue Code (IRC) Section 501(c)(3) provides exemption from Federal income tax on corporations, and any community chest, fund, or foundation, 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, 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, and which does not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of any candidate for public office.

Treasury Regulation Section 1.501(c)(3)-1(a)(1) provides 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.

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

Treasury Regulation Section 1.501(c)(3)-1(c)(1) states 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 exempt purposes specified in section 501(c)(3). An organization will not be so regarded if more than in insubstantial part of its activities is not in furtherance of an exempt purpose.

Treasury Regulation Section 1.501(c)(3)-1(d)(1)(i) states that an organization may be exempt as an organization described in section 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.

In *Community Education Foundation v. Commissioner*, T.C. Memo. 2016-223, revocation of the petitioner’s exemption was warranted because for the nine-year period prior to revocation the organization did not meaningfully organize or allocate resources towards the activities it intended to engage in. The Court held that petitioner did not meet the operational test under section 501(c)(3) because it did not engage in any activity to further an exempt purpose described in section 501(c)(3).

TAXPAYER’S POSITION:

The Organization admits to a significant period of inactivity by providing a signed letter dated

GOVERNMENT’S POSITION:

The Organization did not engage in any activities in furtherance of exempt purposes described in section 501(c)(3). The Organization admits that it has no operational or financial activities for the past years which includes the year under examination. It is like the petitioner in the *Community Education Foundation v Commissioner* case wherein the Court concluded that revocation was appropriate due to a significant period of inactivity.

The Organization’s tax-exempt status should be revoked due to the fact that it has ceased operations, has been inactive for , and no longer meets the operational test for section 501(c)(3) organizations. See Treas. Regs. secs. 1.501(c)(3)-1(a)(1), (c)(1).

CONCLUSION:

The Organization fails to satisfy the operational requirements for continued exemption under section 501(c)(3) of the Code because it has not been conducting any activities that accomplish

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

or more of the exempt purposes in section 501(c)(3). Therefore, the Organization's tax-exempt status should be revoked effective . Form 1120, *U.S. Corporation Income Tax*, should be filed for tax year ended , and thereafter.

If you agree to this conclusion, please sign and return the enclosed Form 6018.

If you disagree, please submit a statement of your position.