



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

Date:  
October 11, 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: January 9, 2024

Release Number: 202401019

Release Date: 1/5/2024

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 exempt from Federal income tax under section 501(c)(3) of the Code are required to operate exclusively for charitable, educational, or other exempt purposes. Organizations are not operated exclusively for exempt purposes if the net earnings of the organization inure in whole or in part to the benefit of private shareholders or individuals of the organization. See Treas. Reg. § 1.501(c)(3)-1(c)(2).

You have 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 IRC and Rev. Rul. 59-95, 1959-1 C.B. 627. Section 1.6033-2(i)(2) of the Income Tax Regulations provides, in part, that every organization which is exempt from tax, shall submit such additional information as may be required by the Internal Revenue Service for the purpose of inquiring into its exempt status.

Since you have not provided the requested information, you have failed to establish that you are operated exclusively for 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.

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](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.

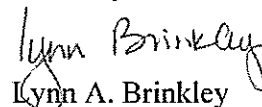
Find tax forms or publications by visiting [IRS.gov/forms](https://irs.gov/forms) or calling 800-TAX-FORM (800-829-3676). If you have questions, you can call the person shown at the top of this letter.

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:  
June 5, 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:  
July 7<sup>th</sup>, 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,

A rectangular box containing a handwritten signature in black ink that reads "Jason Brasch".

Digitally signed by Jason E.  
Brasch  
Date: 2023.06.05 10:54:59 -07'00'

for Lynn Brinkley  
Director, Exempt Organizations  
Examinations

Enclosures:  
Form 4621-A  
Form 886-A  
Form 6018  
Publication 892  
Publication 3498

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

**ISSUES**

1. Whether (the Taxpayer) provided information verifying its continued qualification for exempt status under Section 501(c)(3) of the Internal Revenue Code (IRC).
2. Whether the Taxpayer engaged in nonexempt activities prohibited by IRC Section 501(c)(3).
3. Whether the Taxpayer’s exempt status should be revoked for engaging in nonexempt activities and failing to provide information verifying its continued qualification for exempt status for the tax period ending .

**FACTS**

The Taxpayer was incorporated in the State of on , as a domestic non-profit corporation. Article 10(a) of its Articles of Incorporation state its purpose is to.

The Taxpayer is currently active with the State of . Its address is registered as

On , the Internal Revenue Service (IRS) received , from the Taxpayer. The principal officer for the Taxpayer is listed as . The Taxpayer listed its address as

On , the IRS granted tax-exemption to the Taxpayer under IRC Section 501(c)(3), and further classified it as a public charity described in IRC Sections 509(a)(1) and 170(b)(1)(A)(vi), effective .

On , the Taxpayer registered in the State of as a foreign public benefit corporation incorporated in the State of . The Taxpayer is currently inactive with the State of due to . Its last mailing address was registered as

In , the assigned agent began an examination of the Taxpayer’s for tax year ended

On , the assigned agent mailed the initial contact letter and Information Document Request (IDR) 1 to the Taxpayer at the address , which is the current mailing address per IRS records and Secretary of State registration. On , this letter was returned to sender, stating “recipient is not at this address.”

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On \_\_\_\_\_, the assigned agent reissued the initial contact and IDR 1 to the address \_\_\_\_\_, which is the previous known address per IRS records and Secretary of State registration. No response was received by the assigned agent.

On \_\_\_\_\_, the assigned agent reissued the initial contact and IDR 1 to the address \_\_\_\_\_, which is the last known mailing address per Secretary of State registration. On \_\_\_\_\_, this letter was returned to sender, stating “not deliverable as addressed, unable to forward.”

On \_\_\_\_\_, the assigned agent reissued the initial contact and IDR 1 to the address \_\_\_\_\_, which is the previous known address for the Taxpayer’s principal officers per IRS records. On \_\_\_\_\_, this letter was returned to sender, stating “no such number, unable to forward.”

On \_\_\_\_\_, the assigned agent received an email from \_\_\_\_\_, the preparer of the Taxpayer’s \_\_\_\_\_ and \_\_\_\_\_. \_\_\_\_\_ stated that the Taxpayer has never been operational to her knowledge, and that the principal officer is deceased.

On \_\_\_\_\_, \_\_\_\_\_ told the assigned agent via telephone that she is not in contact with any of the current officers of the Taxpayer, and files the \_\_\_\_\_ on behalf of the Taxpayer at the request \_\_\_\_\_, who is not an officer of the Taxpayer.

On \_\_\_\_\_, \_\_\_\_\_ emailed the assigned agent the Taxpayer’s \_\_\_\_\_ for reporting year \_\_\_\_\_, Bylaws, and filed Articles of Incorporation

The assigned agent obtained bank statements for the Taxpayer’s primary checking account with \_\_\_\_\_. The \_\_\_\_\_ statement shows a check for \$ \_\_\_\_\_ written on \_\_\_\_\_, to \_\_\_\_\_:



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Figure 1: Image of cancelled check dated \_\_\_\_\_ for \$ \_\_\_\_\_ written from the Taxpayer's checking account to \_\_\_\_\_.

IRS records indicate \_\_\_\_\_ and proprietor of \_\_\_\_\_.

On \_\_\_\_\_, the assigned agent issued IDR 2 to the Taxpayer requesting supporting documentation for the \$ \_\_\_\_\_ payment to the address \_\_\_\_\_. On \_\_\_\_\_, this letter was returned to sender, stating “addressee no longer at this address.”

On \_\_\_\_\_, the assigned agent reissued IDR 2 to the Taxpayer at the address \_\_\_\_\_, per the Taxpayer’s original application for tax exemption. On \_\_\_\_\_, this letter was returned to sender, stating “not deliverable as addressed, unable to forward.”

On \_\_\_\_\_, the assigned agent made final attempt to reach the Taxpayer by reissuing IDR 2 to the address \_\_\_\_\_. \_\_\_\_\_, response due \_\_\_\_\_. No response was received by the assigned agent.

On \_\_\_\_\_, the assigned agent made final attempt to reach the Taxpayer by reissuing IDR 2 to the address \_\_\_\_\_, which is the previous known address for the Taxpayer’s principal officers per IRS records, response due \_\_\_\_\_. No response was received by the assigned agent.

**LAW**

IRC Section 501(c)(3) provides in part tax-exemption to corporations organized and operated exclusively for religious, charitable, or similar purposes, no part of the net earnings of which inures to the benefit of any private shareholder or individual.

IRC Section 6033(a)(1) provides in part that every organization exempt from taxation under section 501(a) shall file an annual return, stating specifically the items of gross income, receipts, and disbursements, and

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such other information for the purpose of carrying out the internal revenue laws as the Secretary may by forms or 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.

Treasury Regulations Section (Treas. Reg.) 1.501(a)-1(c) defines “private shareholder or individual” as referring to persons having a personal and private interest in the activities of the organization.

Treas. Reg. 1.501(c)(3)-1(c)(2) states that an organization is not operated exclusively for charitable purposes if its net earnings inure in whole or in part to the benefit of private shareholders or individuals.

Treas. Reg. 1.501(c)(3)-1(d)(1)(ii) states in part that an organization is not organization exclusively for exempt purposes unless it serves public, rather than private, interests. Thus, it is necessary for the organization to establish that it is not organization or operated for the benefit of private interests such as designated individuals, the creator or their family, shareholders of the organization, or persons controlled, directly or indirectly, by such interests.

Treas Reg 1.6001-1(a) provides in part that any person subject to tax under Subtitle A of the Code, or any person required to file a return of information with respect to income, shall keep such permanent books of account or records, including inventories, as are sufficient to establish the amount of gross income, deductions, credits or other matters required to be shown by such person in any return of such tax or information

Treas. Reg. 1.6001-1(c) provides in part that 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.

Treas. Reg. 1.6001-1(d) provides in part that the district director may require any person, by notice served upon him, to make such returns, render such statements, or keep such specific records as will enable the district director to determine whether or not such person is liable for tax under Subtitle A of the Code.

Treas. Reg. 1.6001-1(e) provides in part 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 so long as the contents thereof may become material in the administration of any internal revenue law.

Treas. Reg. 1.6033-2(i)(2) provides in part that every organization which is exempt from tax 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, Chapter 1 of Subtitle A of the Code, section 6033, and Chapter 42 of Subtitle D of the Code.

Revenue Ruling 59-95, 1959-1 C.B. 627 held that failure or inability to file the required information return or otherwise to comply with the provision 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

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grounds that the organization has not established that it is observing the conditions required for the continuation of an exempt status.

**TAXPAYER’S POSITION**

The Taxpayer has not provided a position.

**GOVERNMENT’S POSITION**

***Issue #1: Whether the Taxpayer provided information verifying its continued qualification for exempt status under Section 501(c)(3) of the Internal Revenue Code (IRC).***

IRC Section 6033(a)(1) requires exempt organizations to file annual information returns (Form 990, Form 990 EZ, or Form 990 PF) with an exception for organizations with annual gross receipts not normally more than \$5,000. IRC Section 6033(a)(1) and Treas. Reg. 1.6001-1 require exempt organizations to keep permanent books of account or records to substantiate the information report on the annual information returns, and to provide such records upon request from an authorized internal revenue agent.

No response has been received from the Taxpayer, via telephone, mail, nor electronic mail, to substantiate its qualification for tax-exempt status as indicated on its \_\_\_\_\_, nor has any requests for extensions of time to provide such information been received. The assigned agent made multiple attempts to contact the Taxpayer via phone and mail, with no response.

\_\_\_\_\_, the return preparer, is not an authorized individual of the Taxpayer and therefore does not have the authority to receive confidential tax information concerning the Taxpayer, represent the Taxpayer at conferences with the IRS, or sign agreements on behalf of the Taxpayer. The return preparer stated that the Taxpayer is not and has never been operational, the principal officer is deceased, and she does not have the contact information of any current officer or authorized individual. The requests to file the \_\_\_\_\_ on behalf of the Taxpayer originate from \_\_\_\_\_, who is not an officer or authorized individual himself. The Taxpayer has not provided information or testimony to assert its qualification for tax exemption under IRC Section 501(c)(3)

***Issue #2: Whether the Taxpayer engaged in nonexempt activities prohibited by IRC Section 501(c)(3).***

Treas. Reg. 1.501(c)(3)-1(c)(2) provides that an organization is not operated exclusively for exempt purposes if its net earnings inure in whole or in part to the benefit of private shareholders or individuals. Treas. Reg. 1.501(c)(3)-1(d)(1)(ii) provides in part that an organization must establish it is not organized or operated for the benefit of private interests such as the creator or their family. The bank statements for the Taxpayer’s checking account show a \$ \_\_\_\_\_ payment made to an entity controlled by \_\_\_\_\_, \_\_\_\_\_. There is no evidence in the case file to indicate this payment furthered the Taxpayer’s exempt purpose, and the Taxpayer has not provided documentation or explanation to show as much. It is concluded that the expenditure served private, rather than public, interests in the absence of evidence on the contrary, which is prohibited for organizations exempt from tax under IRC Section 501(c)(3). As such, the Taxpayer has engaged in nonexempt activities barring continued qualification for tax exemption under IRC Section 501(c)(3).

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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***Issue #3: Whether the Taxpayer's exempt status should be revoked for engaging in nonexempt activities and failing to provide information verifying its continued qualification for exempt status for the tax period ending .***

The Taxpayer has engaged in nonexempt activities and failed to provide documentation or testimony to support its exempt status and therefore does not qualify for exempt status under IRC Section 501(c)(3). The Taxpayer fails to qualify for tax exemption effective the first day of the tax year in which the prohibited transaction occurred, or .

**CONCLUSION**

The Taxpayer has engaged in nonexempt activities and failed to provide information verifying its continued qualification for exempt status under IRC Section 501(c)(3) and should have its status revoked for the tax period ending , effective .