



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

Release Number: 202409018
Release Date: 3/1/2024
UIL Code: 501.03-00

Date:
December 6, 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:
March 5, 2024

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 did not produce documents to establish that you are organized and 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. 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 and 6033(a)(1) and Revenue Ruling 59-95, 1959-1 C.B. 627. As such, you failed to meet the requirements of IRC Section 501(c)(3) and Treasury Regulations Section 1.501(c)(3)-1(a), in that you have not demonstrated that you were organized and operated exclusively for exempt purposes and that no part of your earnings inured to the benefit of private shareholders or individuals.

Your determination letter dated , is also revoked.

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
usefc.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.

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:

Internal Revenue Service

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.

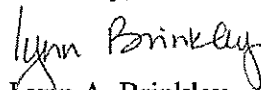
Find tax forms or publications by visiting [IRS.gov/forms](https://www.irs.gov/forms) or calling 800-TAX-FORM (800-829-3676). If you have questions, you can call the person shown at the top of this letter.

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**

Date:
June 13, 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 13, 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,

Jerry Morrow

Jerry Morrow for Lynn Brinkley
Director, Exempt Organizations
Examinations

Enclosures:
Form 886-A
Form 6018

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

ISSUE:

Whether . (“Taxpayer”) tax-exempt status should be revoked for failure to provide adequate books and records necessary to determine whether it is operating for exempt purposes?

FACTS:

Taxpayer is recognized as an IRC Section 501(c)(3) tax-exempt organization described in IRC Section 509(a)(1). Taxpayer is neither a church nor affiliated with a church.

Taxpayer filed Form 990-N for tax periods ending , and .
Taxpayer filed Form 990 for tax periods ending ; ; and .
Taxpayer did not file a Form 990, 990-EZ or 990-N for tax period ending and .

Taxpayer was selected for an examination of its Form 990-N return for the tax-year ended

mailed Taxpayer an Information Document Request (IDR), dated , to request information required to conduct the examination. The response was due by . , no response has been received.

attempted to contact an officer by phone multiple times, but no officer was available.

sent a Delinquency Notice via certified mail on to inform Taxpayer that their response is delinquent and that we will propose revocation of their exempt status if they do not fully respond to the IDR by the due date (). The Delinquency Notice was delivered on (Tracking Number:). No response was received.

LAW & ANALYSIS:

Internal Revenue Code Section 6033

Under IRC Section 6033(a)(1), every organization exempt from taxation under Section 501(a), subject to certain exceptions, must file an annual information return (Form 990, Form 990-EZ, or Form 990 PF). Section 6033(a)(3)(A)(ii) provides a mandatory exception for organizations with annual gross receipts normally not more than \$5,000. Section 6033(a)(3)(B) additionally provides that the Secretary may relieve any organization (other than an organization described in Section 509(a)(3)) from the annual return filing requirement where the Secretary determines such a filing is not necessary to the efficient administration of the internal revenue laws. Under this discretionary exception, most exempt organizations with annual gross receipts normally not more than \$50,000

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are not required to file an annual information return. See Treasury Regulation (“Regulation”) Section 1.6033-2(g)(1)(iii) and (viii).

The gross receipts of an organization are normally not more than \$50,000 if, in the case of an organization that has been in existence for three years or more, the average of the gross receipts received by the organization in the immediately preceding three taxable years, including the year for which the return would be required to be filed, is \$50,000 or less. See Regulation Section 1.6033-2(g)(3)(iii) and Revenue Procedure 2011-15, 2011-3 IRB 322.

IRC Sections 6033(i) and (j) were added to the Internal Revenue Code by section 1223 of the Pension Protection Act (PPA) and became effective for taxable years beginning after 2006. Section 6033(i)(1) contains an annual electronic notice requirement for most exempt organizations that are not required to file an annual information return under Section 6033(a)(1) because their annual gross receipts result in such organizations being referred to in Section 6033(a)(3)(A)(ii) or (a)(3)(B). In effect, Section 6033(i) generally requires an exempt organization to submit an annual electronic notice (Form 990-N) if its annual gross receipts are normally not more than \$50,000. The Department of the Treasury and the Service issued final regulations under Section 6033(i) that describe the time and manner of submitting the annual electronic notice. See Regulation Section 1.6033-6.

Regulation Section 1.6033-6(b)(1) provides that an organization that is required to file an annual information return under IRC Section 6033(a)(1) shall not submit an annual electronic notice. Regulation Section 1.6033-6(c)(3) further provides that by submitting the annual electronic notice, “an organization acknowledges that it is not required to file a return under section 6033(a) because its annual gross receipts are not normally in excess of [\$50,000].” In order to make this determination, the organization must maintain records that enable it to calculate its gross receipts. All organizations are required to keep records under IRC Section 6001. These records will provide evidence of the continuing basis for the organization’s exemption from the annual return requirement under Section 6033(a)(1). Finally, the regulations provide that an organization’s eligibility to submit the annual electronic notice under Section 6033(i) rather than having to file a return does not relieve the organization from having to file other required information or tax returns, or from the penalties for the failure to file such returns.

IRC Section 6033(j)(1)(B) provides, in part, that if an organization required to file an annual information return under Section 6033(a)(1) fails to file the return or notice required for three consecutive years, the organization’s tax-exempt status is revoked by operation of law (automatic revocation). The revocation is effective as of the date set by the Secretary for the filing of the third required information return or electronic notice.

If an organization is required to file an annual information return on Form 990 or Form 990-EZ pursuant to IRC Section 6033(a)(1) or an annual electronic notice on Form 990-N pursuant to Section 6033(i), Section 6033(j)(1)(B) provides for the automatic revocation of the exempt status of the organization if it fails to file the required return or notice for three consecutive years. Section

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6033(i) and the regulations thereunder require an organization to submit a Form 990-N (with some exceptions not applicable here) if it is not required by Section 6033(a)(1) to file Form 990 or Form 990-EZ. Regulation Section 1.6033-6(b)(1) expressly provides that an organization required to file an annual information return under IRC Section 6033(a)(1) shall not submit an annual electronic notice under Section 6033(i). In other words, an organization whose annual gross receipts normally exceed \$50,000 can neither satisfy its annual reporting obligation nor avoid the automatic revocation provision of Section 6033(j)(1)(B) by submitting a Form 990-N. Thus, any organization that fails to file the return required by Section 6033(a)(1) for three consecutive years, including an organization identified as having improperly submitted a Form 990-N for a consecutive three-year period, will be revoked by operation of law pursuant to Section 6033(j)(1)(B).

Revenue Ruling 59-95, Cumulative Bulletin 1959-1, page 627, prescribes that failure to comply with the provisions of Section 6033 of the Code may result in the termination of the exempt status of an organization on the grounds that the organization has not established that it is observing the conditions required for the continuation of its tax-exempt status.

Internal Revenue Code Section 6001

IRC Section 6001 provides that every person liable for any tax imposed by the IRC, or for the collection thereof, shall keep adequate records as the Secretary of the Treasury or his delegate may from time to time prescribe.

Treas. Reg. Section 1.6001-1(c) states 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. Section 1.6001-1(e) states that the books or records required by this section shall be kept at all times available for inspection by authorized Internal Revenue Service officers or employees, and shall be retained as long as the contents thereof may be material in the administration of any Internal Revenue law.

Treasury Regulation Section 1.501(c)(3)-1(a)(1) states that in order to be exempt as an organization described in IRC 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.

Internal Revenue Code Section 7602. Examination Of Books And Witnesses

7602(a) Authority To Summon, Etc.

For the purpose of ascertaining the correctness of any return, making a return where none has been made, determining the liability of any person for any internal revenue tax or the liability at law or in

Form 886-A (May 2017)	Department of the Treasury – Internal Revenue Service Explanations of Items	Schedule number or exhibit
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equity of any transferee or fiduciary of any person in respect of any internal revenue tax, or collecting any such liability, the Secretary is authorized to examine any books, papers, records, or other data which may be relevant or material to such inquiry.

TAXPAYER'S POSITION:

Taxpayer's position is not currently known. Taxpayer will be given _____ days to provide a response.

GOVERNMENT'S POSITION:

Taxpayer failed to respond to requests for information pursuant to an IRS examination of its books and records. Consequently, Taxpayer did not substantiate whether it is operating for exempt purposes under IRC Section 501(c)(3) and has met its filing requirements under IRC Section 6033. As such, we are proposing revocation of Taxpayer's exempt status as of _____.

CONCLUSION:

We are proposing revocation of the Taxpayer's exempt status as of _____.