



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

Release Number: 202414010
Release Date: 4/5/2024
UIL Code: 501.03-00

Date:
January 10, 2024
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:

Wednesday, April 9, 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 are in violation of Sections 6001 and 6033(a) of the Code because no records were provided after the IRS's repeated attempts to contact the Trust. Failure to comply with Section 6033 of the Code and the applicable regulations 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 an exempt status. See Rev. Rul. 59-95. Here, the Trust's failure to respond to the IRS's repeated, reasonable requests for information in connection with the examination constitutes a failure on the part of the Trust to demonstrate continued compliance with the requirements in Section 501(c)(3) of the Code.

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).

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:

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.

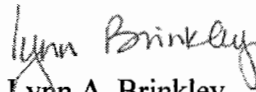
Find tax forms or publications by visiting IRS.gov/forms or calling 800-TAX-FORM (800-829-3676). If you have questions, you can call the person shown at the top of this letter.

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:
September 1, 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:
October 2, 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 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,

Laura J. Chambers
Digitally signed by Laura J. Chambers
Date: 2023.08.30 10:24:40 -05'00'

for Lynn A. Brinkley
Director, Exempt Organizations
Examinations

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

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 _____ (the _____) continues to qualify for exemption under Section 501(c)(3) of the Internal Revenue Code?

FACTS

Overview

The _____ was created by a will from _____ which directs _____, _____ and _____ (the _____), to establish a _____ for _____ payments to _____ (_____) located at _____ . On _____, the _____ filed Form 1023 with the Internal Revenue Service (IRS) requesting exemption as a non-functionally integrated supporting organization under Sections 501(c)(3) and 509(a)(3) of the Code. The _____ activity of the _____ is to make _____ distributions to _____. The assets of the _____ are invested and net income is distributed by the _____ to _____. On _____, the IRS issued a letter granting the _____'s application for exemption submitted on Form 1023. The _____ Form 990 for tax year ending _____, was selected for examination and was assigned to an _____ on _____. The _____ did not cooperate with the examination by providing the requested records as required under Sections 6001 and 6033(a) of the Code.

Form 1023

The _____ submitted Form 1023 requesting exemption on _____. The _____ was created in _____ based on the _____ of _____ created on _____, with updates to the will on _____, and _____.

In _____ the will states, “

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”

consists of property, or the proceeds therefrom, part of the generated by the . The does not allow for any other forms of income to be . The has no by-laws or any similar code of regulations.

Form 1023 stated that as of , the had the following assets & liabilities:

Assets		Book Value
common stock	Consolidated fund--	\$
fixed Income	Consolidated fund--	\$
	Total Assets	\$
	Total Liabilities	\$

When Form 1023 was filed, the had no plan to engage in any fund-raising activities or any business enterprise, other than the management of its assets by its .

is the of the . was not and is not controlled, directly or indirectly, by , the , or by of family or entities owned by them, or by the . is compensated in accordance with its standard fee schedule.

Determination Letter

On , the IRS issued a letter granting the 's application for exemption submitted on Form 1023. In such letter, the IRS determined that the was a tax-exempt organization described in Section 501(c)(3) of the Code, as well as a supporting organization described in Section 509(a)(3) of the Code.

Form 990EZ

The Form 990EZ for tax year ending , shows the checked the box Section 501(c)(3) of the Code as its exempt status.

Section 509(a)(3) Status

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The initial focus of the examination of the _____'s Form 990 for the tax year ending _____, was the issue of foundation status under Section 509 of the Code; in particular, continued classification as an organization described in Section 509(a)(3) of the Code. However, this report does not address the foundation classification issue because of the _____'s failure to respond to any of the requests for documentation.

Examination Procedure

- Precontact analysis of the Form 990-EZ return was started and completed on _____. The appointment letter and Information Document Request (IDR) number _____ was mailed on the same date. _____ received no response from the _____ by the due date.
- On _____, _____ prepared and mailed Letter 5798 giving the _____ a _____ extension to provide the requested records. The _____ did not respond to the extension letter.
- The _____ instructed the _____ to issue a _____ IDR extension on _____. The _____ prepared and mailed the extension letter on _____. The letter was sent via certified mail addressed to the _____ name listed on the Form 990-EZ. The _____ did not respond to the _____ extension letter.
- On _____, _____ received a returned _____ card showing letter was received by the _____. _____ called the _____ using telephone number listed on Form 990EZ and spoke to a _____ at _____. The receptionist did not have authority over or connection with the _____. The receptionist provided the _____ with a mail stop number where records requests can be sent.
- On _____, _____ prepared Letter 5077-D, delinquency notice, stating next step is to summons records if records not received by due date _____. _____ mailed Letter 5077-D to the _____ at the mail stop number provided during the _____, phone call. Examiner did not receive any of the records requested by the due date stated in Letter 5077-D.
- On _____, _____ prepared Letter 5077-A (pre summons) and email to _____ for signature and mailing. The Letter 5077-A was mailed to the _____ on _____, with a stated due date of _____.
- As of the date of this report, the _____ has not provided any of the documents requested by _____ or otherwise responded to _____ written requests for documents.
- Held all appropriate meetings per the Internal Revenue Manual 4.75.10.

LAW

Code Section 501(c)(3) - 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 (but only if

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no part of its activities involve the provision of athletic facilities or equipment), 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 (except as otherwise provided in subsection (h)), and which does not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of (or in opposition to) any candidate for public office.

Code Section 4947(1) - Charitable trusts.- For purposes of part II of subchapter F of chapter 1 (other than section 508(a), (b), and (c)) and for purposes of this chapter, a trust which is not exempt from taxation under section 501(a), all of the unexpired interests in which are devoted to one or more of the purposes described in section 170(c)(2)(B), and for which a deduction was allowed under section 170, 545(b)(2), 642(c), 2055, 2106(a)(2), or 2522 (or the corresponding provisions of prior law), shall be treated as an organization described in section 501(c)(3).

Code Section 6001 provides that every person liable for any tax imposed by Title 26, 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 Title 26.

Code Section 6033(a)(1) provides, except as provided in section 6033(a)(3), 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 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 1.6001-1(c) Exempt organizations. 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.

Treasury Regulations Section 1.6033-2(i)(2) 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, section 6033, and Chapter 42 of Subtitle D of the Code. See section 6001

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and § 1.6001-1 with respect to the authority of the district directors or directors of service centers to require such additional information and with respect to the books of account or records to be kept by such

In Revenue Ruling 59-95, 1959-1 C.B. 627, an exempt organization 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.

The court in *Church of Spiritual Technology v. United States*, 26 Cl. Ct. 713, 729-730 (1992), aff'd w/o opinion, 991 F.2d 812 (Fed. Cir.), cert. denied, 510 U.S. 870, (1993), stated that the applicant bears the burden of showing it is entitled to exemption.

In *Harding Hospital, Inc. v. United States*, 505 F.2d 1068, 1071 (6th Cir. 1974), the court stated that tax exemptions "must be strictly construed, with any doubts to be resolved in favor of the taxing entity.

TAXPAYER POSITION

The taxpayer's position is unknown at this time.

GOVERNMENT POSITION

The Government determines that the _____ is in violation of Sections 6001 and 6033(a) of the Code for not providing the requested records needed to complete the examination of Form 990EZ for tax year ending _____. After _____ written requests, the _____ did not provide records or try to contact the examination _____ to discuss the document requests.

Failure to comply with Section 6033 of the Code and the applicable regulations may result in the termination of the exempt status of an organization _____ held exempt, on the grounds that the organization has not established that it is observing the conditions required for the continuation of an exempt status. See Rev. Rul. 59-95. Specifically, the _____ has failed to produce documents, records, or other information to establish that it operated exclusively for one or more exempt purposes set forth in section 501(c)(3), was not operated for the benefit of private interests, or that a part of its net earnings did not inure to the benefit of private individuals. Therefore, the _____ has not established that it is observing the conditions required for the continuation of tax-exempt status under Section 501(c)(3) of the Code.

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Accordingly, revocation is warranted.

Conclusion

The _____ is in violation of Sections 6001 and 6033(a) of the Code because no records were provided after the IRS's repeated attempts to contact the _____. Failure to comply with Section 6033 of the Code and the applicable regulations 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 an exempt status. See Rev. Rul. 59-95. Here, the _____'s failure to respond to the IRS's repeated, reasonable requests for information in connection with the examination constitutes a failure on the part of the _____ to demonstrate continued compliance with the requirements in Section 501(c)(3) of the Code.

Accordingly, it is proposed that the _____'s exempt status be revoked effective _____. Should this revocation be upheld, Form 1041, U.S. _____ Income Tax, should be filed for the tax year ending _____, and the tax years thereafter.

If you agree, please sign the attached Forms.

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