



Department of the Treasury
Internal Revenue Service
Tax Exempt and Government Entities
Exempt Organizations Examinations
550 Main Street
Cincinnati, OH 45202-3222

Date:

January 29, 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: April 28, 2024

Release Number: 202417023

Release Date: 4/26/2024

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 described in IRC Section 501(c)(3) and exempt from tax under Section 501(a) must be both organized and operated exclusively for exempt purposes and no part of the net earnings may inure to the benefit of any private shareholder or individual. An organization will not be so regarded if more than an insubstantial part of its activities is not in furtherance of an exempt purpose.

You have not demonstrated that you are both organized and operated exclusively for charitable, educational, or other exempt purposes within the meaning of IRC Section 501(c)(3). As such, you failed to meet the requirement of IRC Section 501(c)(3) and Treasury Regulations Section 1.501(c)(3)-1(a).

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**.

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.

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
Taxpayer Advocate Office

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.

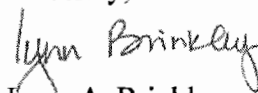
Find tax forms or publications by visiting [IRS.gov/forms](https://www.irs.gov/forms) or calling 800-TAX-FORM (800-829-3676). If you have questions, you can call the person shown at the top of this letter.

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

cc:



Department of the Treasury
Internal Revenue Service
Tax Exempt and Government Entities
550 Main Street
Cincinnati OH 45202-3222

Date:
08/18/2023
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:
September 18, 2023

CERTIFIED MAIL – Return Receipt Requested

Dear

Why you're receiving this letter

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.

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.

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,

Eli N. Munoz Digitally signed by Eli N. Munoz
on 2023.08.06 15:13:51 -0500

for Lynn A. 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 (last 4 digits)	Year/Period ended

ISSUES:

Should the tax-exempt status of _____ (EO) be revoked because it ceased to operate as Internal Revenue Code Section 501(c)(3) organization?

FACTS:

EO was incorporated _____, in the state of _____. EO was established exclusively for charitable and educational purposes. EO's articles of incorporation state that the property of the corporation is irrevocably dedicated to charitable purposes and upon dissolution of organization, assets shall be distributed for one or more exempt purposes within the meaning of section 501 (c)(3) of the Internal Revenue Code and no part of the net income or assets of this corporation shall ever inure to the benefit of any director, officer, or member or to the benefit of any private person.

EO submitted _____, on _____. On _____, the IRS issued a determination letter determining that EO was exempt under IRC section 501(a) as an organization described in IRC Section 501(c)(3).

EO filed _____ for the years ending _____.

EO was Dissolved Administratively in the State of _____ on _____ per Certificate of Administrative Dissolution/Revocation. Assets of EO have not been distributed for one or more exempt purposes within the meaning of section 501 (c)(3) of the Internal Revenue Code.

EO stopped providing day care services and ceased operations at the end of _____ and subsequently became a _____.

_____ initially reported as a Schedule C sole proprietorship on EO officer _____ personal tax return and after that made the S-Corporation Election and has filed for _____.

There are no meeting minutes for this period. EO was advised to close its bank accounts and merge all existing transactions into the _____ bank account, but it still had assets at the end of _____, so a _____ return was filed.

EO was advised to wrap up its affairs and close its accounts each year but as of the end of this had not been done. There are no publications. There are no contracts. There has not been any solicitation of funds. EO received it's funding from state government agencies before and after _____, and fees paid by its customers prior to _____. EO continued to receive income and pay expenses in _____. Income received and expenses incurred were all for the benefit of _____ and were journaled over to its books and reported on its tax return. The same occurred in _____.

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

LAW:

Internal Revenue Code

§501(a) exempts from tax organizations described in section 501(c)(3).

§501(c)(3) provides for the exemption from federal income tax of organizations organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary, or educational purposes, provided that no part of their net earnings inures to the benefit of any private shareholder or individual.

Treasury Regulations

§1.501(c)(3)-1(c)(2) Operational test, Distribution of earnings (1) 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.

GOVERNMENT'S POSITION:

EO has been administratively dissolved by the state of . EO has ceased operation as an exempt organization under IRC 501 (c)(3). EO has not distributed its assets for one or more exempt purposes. The assets were distributed to the EO officers for profit organization. EO is now operating as a for profit entity. EO exempt status should be revoked.

TAXPAYER'S POSITION:

EO has agreed to the revocation of its IRC 501 (c)(3) status. EO officer has signed and acknowledged form 6018 – Consent to Proposed Action.

CONCLUSION:

EO exempt status as an IRC 501 (c)(3) organization should be revoked as of .
The organization will be required to filed .