



Department of the Treasury
Internal Revenue Service
Tax Exempt and Government Entities
PO Box 2508
Cincinnati, OH 45201

Date:
09/03/2024
Employer ID number:

Person to contact:

Release Number: 202448013
Release Date: 11/29/24
UIL Code: 501.00-00, 501.03-00, 501.03-05

Dear :

This letter is our 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). Recently, we sent you a proposed adverse determination in response to your application. The proposed adverse determination explained the facts, law, and basis for our conclusion, and it gave you 30 days to file a protest. Because we didn't receive a protest within the required 30 days, the proposed determination is now final.

Because you don't qualify as a tax-exempt organization under IRC Section 501(c)(3), donors generally can't deduct contributions to you under IRC Section 170.

We may notify the appropriate state officials of our determination, as required by IRC Section 6104(c), by sending them a copy of this final letter along with the proposed determination letter.

You must file the federal income tax forms for the tax years shown above within **30 days** from the date of this letter unless you request an extension of time to file. For further instructions, forms, and information, visit www.irs.gov.

We'll make this final adverse determination letter and the proposed adverse determination letter available for public inspection after deleting certain identifying information, as required by IRC Section 6110. Read the enclosed Letter 437, Notice of Intention to Disclose - Rulings, and review the two attached letters that show our proposed deletions. If you disagree with our proposed deletions, follow the instructions in the Letter 437 on how to notify us. If you agree with our deletions, you don't need to take any further action.

If you have questions about this letter, you can call the contact person shown above. If you have questions about your federal income tax status and responsibilities, call our customer service number at 800-829-1040 (TTY 800-829-4933 for deaf or hard of hearing) or customer service for businesses at 800-829-4933.

Sincerely,

Stephen A. Martin
Director, Exempt Organizations
Rulings and Agreements

Enclosures.
Letter 437
Redacted Letter 4034
Letter 4038



Department of the Treasury
Internal Revenue Service
PO Box 2508
Cincinnati, OH 45201

Date: 07/08/2024

Employer ID number:

Person to contact:

Name:

ID number:

Telephone:

Fax:

Legend:

B = Date

C = State

D = County, State

E = Name

F = Number

G = Number

H = Number

j dollars = Amount

k dollars = Amount

l percent = Percentage

UIL:

501.00-00

501.03-00

501.03-05

Dear _____ :

We considered your application for recognition of exemption from federal income tax under Internal Revenue Code (IRC) Section 501(a). We determined that you don't qualify for exemption under IRC Section 501(c)(3). This letter explains the reasons for our conclusion. Please keep it for your records.

Issues

Do you qualify for exemption under IRC Section 501(c)(3)? No, for the reasons stated below.

Facts

You submitted Form 1023-EZ, Streamlined Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code.

You attest that you were incorporated on B, in the state of C. You attest that you have the necessary organizing document, that your organizing document limits your purposes to one or more exempt purposes within the meaning of the IRC Section 501(c)(3), that your organizing document does not expressly empower you to

engage in activities, other than an insubstantial part, that are not in furtherance of one or more exempt purposes, and that your organizing document contains the dissolution provision required under Section 501(c)(3).

You attest that you are organized and operated exclusively to further charitable purposes. You attest that you have not conducted and will not conduct prohibited activities under IRC Section 501(c)(3). Specifically, you attest you will:

- Refrain from supporting or opposing candidates in political campaigns in any way
- Ensure that your net earnings do not inure in whole or in part to the benefit of private shareholders or individuals
- Not further non-exempt purposes (such as purposes that benefit private interests) more than insubstantially
- Not be organized or operated for the primary purpose of conducting a trade or business that is not related to your exempt purpose(s)
- Not devote more than an insubstantial part of your activities attempting to influence legislation or, if you made a Section 501(h) election, not normally make expenditures in excess of expenditure limitations outlined in Section 501(h)
- Not provide commercial-type insurance as a substantial part of your activities

You state that you are a non-profit organization that promotes family friendly, fun, and ethical archery competitions in the D area. You provide a safe place for your members to shoot within your outdoor range.

You state you have a marked yardage shoot where each archer will shoot F to G targets. The cost to participate varies depending on if it is an individual or a family, and if the tickets will be valid for more than a day. Membership is available on an individual or family basis. Family consists of parents and a child under H. Membership benefits include a key, accessibility, and the use of bag targets. Family tickets are free to family members only. You have scheduled shootings on Wednesday evenings during the summer. The cost to participate in your scheduled shootings is j dollars, with k dollars going to the winning team. Prizes or payouts are determined by the E.

Detailed information was subsequently requested. You put on 3-D archery shoots for the general public. You try to accommodate for any groups with special needs when it is needed or possible. You indicate the percentages for these requests are very low. You dedicate l percent of your time and resources to your activities. You do not foster (or will foster) national or international sports competitions with your sports programs.

Law

IRC Section 501(c)(3) exempts from federal income tax, 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.

IRC Section 501(j) provides that an organization which fosters national or international amateur sports competition, but whose activities also involve the provision of athletic facilities or equipment, may still qualify for exemption under Section 501(c)(3) if the organization is considered a qualified amateur sports organization

under Section 501(j)(2). Qualified amateur sports organizations will qualify for tax-exempt status whether they provide facilities or equipment to their members, and whether or not their membership is local or regional in nature. For purposes of this subsection, the term “qualified amateur sports organization” means any organization organized and operated exclusively to foster national or international amateur sports competition if such organization is also organized and operated primarily to conduct national or international competition in sports or to support and develop amateur athletes for national or international competition in sports.

Treasury Regulation Section 1.501(c)(3)-1(a)(1) provides that, in order for an organization to be exempt under IRC Section 501(c)(3), it 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.

Treas. Reg. Section 1.501(c)(3)-1(c)(1) provides 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 such exempt purposes specified in IRC Section 501(c)(3). An organization will not be so regarded if more than an insubstantial part of its activities is not in furtherance of an exempt purpose.

Treas. Reg. Section 1.501(c)(3)-1(d)(2) provides that the term charitable is used in IRC Section 501(c)(3) in its generally accepted legal sense and includes relief of the poor and distressed or of the underprivileged; advancement of religion; advancement of education or science; erection or maintenance of public buildings, monuments, or works; lessening of the burdens of government; and promotion of social welfare by organizations designed to accomplish any of the above purposes.

Revenue Ruling 65-2, 1965-1 C.B. 227, held that a foundation organized and operated exclusively for the purpose of teaching a particular sport to the children of a community by providing free instruction, free equipment, and facilities for playing the game, qualifies for exemption under IRC Section 501(c)(3).

In Better Business Bureau of Washington, D.C., Inc. v. United States, 326 U.S. 279 (1945), the court held that an organization is not operated exclusively for charitable purposes, and thus will not qualify for exemption under Section 501(c)(3), if it has a single non-exempt purpose that is substantial in nature. This is true regardless of the number or importance of the organization's charitable purposes.

In Media Sports League, Inc. v. Commissioner, T. C. Memo 1986-568 (1986), the court dealt with an organization that arranged football, softball, volleyball, and other games among its members with membership open to all persons over age twenty-one without regard to their skills in the sport. The organization offered members informal instruction in the fundamentals of each sport, but members were not required to receive instruction or to participate in any athletic activities. The court held that the organization was not exempt under IRC Section 501(c)(3) because the social and recreational interests of its members constituted a substantial purpose, which is not an exempt one under Section 501(c)(3).

Application of law

You are not organized and operated exclusively for purposes within the meaning of IRC Section 501(c)(3) because you do not meet the operational test. As stated in Treas. Reg. 1.501(c)(3)-1(a)(1), an organization must be both organized and operated exclusively for purposes described in Section 501(c)(3). You fail the operation test.

You do not meet the operational test under IRC Section 501(c)(3) because you are not operating exclusively for charitable purposes as required under Treas. Reg. 1.501(c)(3)-1(c)(1). A substantial part of your activities is providing and maintaining archery ranges for the recreation and pleasure of your members, and those activities further social and recreational rather than educational or charitable purposes. As provided in Treas. Reg. Section 1.501(c)(3)-1(d)(?), your operations do not accomplish an exclusively charitable purpose.

You do not foster national or international amateur sports competition, nor are you operated primarily to conduct national or international sports competition to support and develop amateur athletes for national or international competitions as described in IRC Section 501(j). The persons involved in your activities are participating in a sport for their own personal well-being as well as for recreational and social purposes. Therefore, you are not an amateur sports organization as described in Section 501(j).

You are unlike the organization described in Rev. Rul. 65-2 that was formed to teach children a specific sport, because your activities are recreational and are not geared towards a charitable class. You are not operated exclusively for charitable or educational purposes. You are similar to the organization described in Media Sports League, because your activities of providing 3-D archery shootings promote the social and recreational interests of your members.

As held in Better Business Bureau, the presence of a single non-exempt purpose, if substantial, will preclude tax exemption under IRC Section 501(c)(3). A substantial part of your activities is conducted for the recreational and social benefit of your members and does not serve educational or charitable purposes within the meaning of Section 501(c)(3). Thus, you are precluded from exemption under Section 501(c)(3).

Conclusion

Based on the information submitted, you are not operated exclusively for educational or charitable purposes. You do not meet the operational test because you are operated for the substantial non-exempt purpose of providing archery shootings for recreational and social purposes to a non-charitable class. Therefore, we conclude that you do not qualify for exemption from federal income tax as an organization described in IRC Section 501(c)(3).

If you agree

If you agree with our proposed adverse determination, you don't need to do anything. If we don't hear from you within 30 days, we'll issue a final adverse determination letter. That letter will provide information on your income tax filing requirements.

If you don't agree

You have a right to protest if you don't agree with our proposed adverse determination. To do so, send us a protest within 30 days of the date of this letter. You must include:

- Your name, address, employer identification number (EIN), and a daytime phone number
- A statement of the facts, law, and arguments supporting your position
- A statement indicating whether you are requesting an Appeals Office conference

- The signature of an officer, director, trustee, or other official who is authorized to sign for the organization or your authorized representative
- The following declaration:

For an officer, director, trustee, or other official who is authorized to sign for the organization:

Under penalties of perjury, I declare that I have examined this request, or this modification to the request, including accompanying documents, and to the best of my knowledge and belief, the request or the modification contains all relevant facts relating to the request, and such facts are true, correct, and complete.

Your representative (attorney, certified public accountant, or other individual enrolled to practice before the IRS) must file a Form 2848, Power of Attorney and Declaration of Representative, with us if they haven't already done so. You can find more information about representation in Publication 947, Practice Before the IRS and Power of Attorney.

We'll review your protest statement and decide if you gave us a basis to reconsider our determination. If so, we'll continue to process your case considering the information you provided. If you haven't given us a basis for reconsideration, we'll send your case to the Appeals Office and notify you. You can find more information in Publication 892, How to Appeal an IRS Determination on Tax-Exempt Status.

If you don't file a protest within 30 days, you can't seek a declaratory judgment in court later because the law requires that you use the IRC administrative process first (IRC Section 7428(b)(2)).

Where to send your protest

Send your protest, Form 2848, if applicable, and any supporting documents to the applicable address:

U.S. mail:

Internal Revenue Service
EO Determinations Quality Assurance
Mail Stop 6403
PO Box 2508
Cincinnati, OH 45201

Street address for delivery service:

Internal Revenue Service
EO Determinations Quality Assurance
550 Main Street, Mail Stop 6403
Cincinnati, OH 45202

You can also fax your protest and supporting documents to the fax number listed at the top of this letter. If you fax your statement, please contact the person listed at the top of this letter to confirm that they received it.

You can get 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 listed at the top of this letter.

Contacting the Taxpayer Advocate Service

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 if 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.

Sincerely,

Stephen A. Martin
Director, Exempt Organizations
Rulings and Agreements