



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

Release Number: 202511016
Release Date: 3/14/25

UIL Code: 501.03-00

Date: December 18, 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:
March 18, 2025

CERTIFIED MAIL - Return Receipt Requested

Dear [REDACTED]:

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 [REDACTED]. Your determination letter dated [REDACTED], is revoked.

Our adverse determination as to your exempt status was made for the following reasons: You have not conducted any charitable activities for multiple years. Your only activity is maintaining parcels of donated land. Thus, you do not meet the operational test under Internal Revenue Code (IRC) Section (Sec.) 501(c)(3). Additionally, Treasury Regulation Sec. 1.501 (c)(3)-1(d)(i) provides an organization may be exempt as an organization described in IRC Sec. 501(c)(3) if it is organized and operated exclusively for one or more exempt purposes. As stated above, you have not conducted any charitable activities for multiple years. Therefore, your organization fails to meet the operational requirements to continue its tax-exempt status under IRC Sec. 501(c)(3).

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
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).

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 if 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. Visit TaxpayerAdvocate.IRS.gov/contact-us or call 877-777-4778 (TTY/TDD 800-829-4059) to find the location and phone number of your local advocate. Learn more about TAS and your rights under the Taxpayer Bill of Rights at TaxpayerAdvocate.IRS.gov. Do not send your Tax Court petition to TAS. Use the Tax Court address provided earlier in the letter. Contacting TAS does not extend the time to file a petition.

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,

Lori Stieber

for Lynn A. Brinkley
Director, Exempt Organizations Examinations

Enclosures:

Publication 1

Publication 594

Publication 892

cc: [REDACTED] (Representative)



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

[REDACTED]

[REDACTED]

Date:
January 31, 2024

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:

March 1, 2024

CERTIFIED MAIL – Return Receipt Requested

Dear [REDACTED]

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,

Richard W. Elder, for

Lynn A. Brinkley
Director, Exempt Organizations
Examinations

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

Form 886-A	EXPLANATION OF ITEMS	Schedule or Exhibit No.
Name of Taxpayer		Year

ISSUE:

Whether _____, continues to qualify for exemption as an organization described in the Internal Revenue Code Section 501(c)(3).

FACTS:

_____ was incorporated under the laws of the State of _____ as a non-profit corporation on _____. _____ was granted exemption under Internal Revenue Code 501(c)(3) on _____. _____ as a publicly supported organization under Section 509(a)(2) of the Internal Revenue Code.

The purposes of _____ was to benefit _____

_____ in such other ways as the Board of Directors determine.

_____ has been inactive for a number of years, which includes the year of examination. The financial information provided indicated that they have not conducted any charitable activities for the last _____ years. Over the last _____ years, the originating directors have dealt with personal health, in addition to the restrictions of activities during the COVID-19 global pandemic, which has resulted in the organization not being as active as it _____ was. The organizations only current activities are the maintaining of property that consist of _____ that were donated to _____ by their _____

LAW:

IRC 501(c)(3) exempts from federal income tax organizations which are 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 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.

Section 1.501(c)(3)-1(a)(1) of the Regulations provides that in order to be exempt as an organization described in section 501(c)(3) of the Code, the organization must be one that is both organized and operated exclusively for one or more of the purposes specified in that section.

Form 886-A	EXPLANATION OF ITEMS	Schedule or Exhibit No.
Name of Taxpayer		Year

Section 1.501(c)(3)-1(c)(1) of the Regulations provides that an organization be regarded as "operated exclusively" for one or more exempt purposes only if it engages primarily in activities which accomplish one or more of such exempt purposes specified in section 501(c)(3). Reg. 1.501(c)(3)-1 (d)(i) states that an organization may be exempt as an organization described in 501(c)(3) if it is organized and operated exclusively for one or more of the following purposes: religious, charitable, scientific, testing for public safety, literary, educational, or prevention of cruelty to children or animals.

Revenue Ruling 58-617, 1958-2 CB 260, (Jan. 01, 1958), provides that rulings and determinations letters granting exemption from federal income tax to an organization described in IRC 501(a) of the Internal Revenue Code of 1954, to which contributions are deductible by donors in computing their taxable income in the manner and to the extent provided by IRC 170, are effective only so long as there are no material changes in the character of the organization, the purposes for which it was organized, or its methods of operation. Failure to comply with this requirement may result in serious consequences to the organization for the reason that the ruling or determination letter holding the organization exempt may be revoked retroactively to the date of the changes affecting its exempt status, depending upon the circumstances involved, and subject to the limitations on retroactivity of revocation found in 503 of the Code.

TAXPAYER'S POSITION:

Unknown at this time.

GOVERNMENT'S POSITION:

_____ has not conducted any charitable activities for a number of _____ years and their only current activity is to maintain _____ that were donated by their _____

Section 1.501 (c)(3)-1(d)(i) of the Regulations provides that an organization may be exempt as an organization described in 501(c)(3) if it is organized and operated exclusively for one or more of the following purposes: religious, charitable, scientific, testing for public safety, literary, educational, or prevention of cruelty to children or animals.

As demonstrated in Rev. Rul. 58-617, an organization's exempt status will remain in effect only so long as there are no material changes in the character of the organization, the purposes for which it was organized, or its methods of operation. _____ has not

conducted any charitable activities for which it was organized for a number of years and their only current activity is to maintain _____ that were donated by their _____

_____. As such, the organization fails to meet the operational requirements to continue its tax-exempt status under IRC 501(c)(3). Therefore, _____ tax-exempt status should be revoked with an effective revocation date of _____

CONCLUSION:

The organization does not meet the operational requirements under 501(c)(3) of the Internal Revenue Code and their tax- exempt status should be revoked as of _____

Form 886-A	EXPLANATION OF ITEMS	Schedule or Exhibit No.
Name of Taxpayer		Year

Forms 1120, U.S. Corporation Income Tax Return should be filed for the calendar years to the present, if the organization had any taxable income.

Please note if the revocation is not sustained the alternative position is that the should be reclassified as a Private Foundation.

Alternative Position if the organization 501(c)(3) status is not revoked.

ISSUE:

Whether should be classified as a publicly supported organization under sections 509(a)(1) or 509(a)(2) or as a private foundation.

FACTS:

was the founder of the and he formerly served as the organization's Director.

was incorporated under the laws of the State of as a non-profit corporation on exemption under Internal Revenue Code 501(c)(3) on was granted as a publicly supported organization under Section 509(a)(2) of the Internal Revenue Code.

The financial information provided shows for the last years that \$ of the total support of \$ was from . Therefore, % of the organization's revenues were from , please refer to .

LAW: Section 509(a)

Section 509(a) of the Code provides the term private foundation means an organization described in section 501(c)(3) other than one described in section 509(a)(1), (2), (3), or (4).

Section 509(a)(1)

Sections 170(b)(1)(A)(vi) and 509(a)(1) describes an organization, "... which normally receives a substantial part of its total support from a governmental unit...or from direct or indirect contribution from the general public.

Section 1.170-9(e)92) of the Income Tax Regulations states that an organization is publicly supported if at least 33 1/3 of its support is received from governmental units and direct and indirect contributions from the general public.

Section 509(a)(2)

Section 509(a)(2) of the Code provides that an organization that receives less than one third of its financial support from investments and more than one third from a combination of

Form 886-A	EXPLANATION OF ITEMS	Schedule or Exhibit No.
Name of Taxpayer		Year

contributions, membership fees, and gross receipts from activities related to its exempt functions, is other than a private foundation.

Section 1.509(a)-3(c)(1) of the Regulations provides that the support tests set forth in section 509(a)(2) are to be computed on the basis of the nature of the organization's 'normal' sources of support. An organization will be considered as "normally" receiving one-third of its support from any combination of gifts, grants, contributions, membership fees, and gross receipts from permitted sources (subject to the limitations described in paragraph (b) of this section) and not more than one-third of its support from items described in section 509(a)(2)(B) for its current taxable year and the taxable year immediately succeeding its current year, if, for the 4 taxable years immediately preceding the current taxable year, the aggregate amount of the support received during the applicable period from gifts, grants, contributions, membership fees, and gross receipts from permitted sources (subject to the limitations described in paragraph (b) of this section) is more than one-third, and the aggregate amount of the support received from items described in section 509(a)(2)(B) is not more than one-third of the total support of the organization for such 4-year period.

Section 509(a)(3)

Section 509(a)(3) of the Code excludes from the definition of a private foundation an organization which is operated, supervised, or controlled by or in connection with one or more organizations described in section 509(a)(1) or 509(a)(2).

Section 1.509(a)-4(a) of the Regulations describes in general terms the various tests that a supporting organization must meet in order to be classified as an organization described in section 509(a)(3) of the Code.

Section 509(a)(3) of the Code describes an organization which is organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more specified organizations described in sections 509(a)(1) or 509(a)(2). The supporting organization must also be operated, supervised or controlled by the supported organization; supervised or controlled in connection with the supported organization; or operated in connection with the supported organization in order to be classified as a public charity under section 509(a)(3).

Section 509(a)(4)

Section 509(a)(4) describes an organization which is organized and operated exclusively for testing for public safety.

TAXPAYER'S POSITION:

Unknown.

GOVERNMENT'S POSITION:

Form 886-A	EXPLANATION OF ITEMS	Schedule or Exhibit No.
Name of Taxpayer		Year

Over % of the organization's support was from , therefore, the organization does not meet the public support requirements of sections 509(a)(1) or 509(a)(2) and was not organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more specified organizations described in sections 509(a)(1) or 509(a)(2) as required under Code Section 509(a)(3). The organization is also not operating under section 509(a)(4) and therefore, must be reclassified as a private foundation.

CONCLUSION:

The organization should be reclassified as a 501(c)(3) private foundation effective

Forms 990-PF "Return of Private Foundation or Section 4947(a)(1) Trust Treated as Private Foundation" should be filed for the calendar years to the present.