



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

Date:  
12/11/2025  
Employer ID number:

Form you must file:

Tax years:

Person to contact:  
Name:  
ID number:  
Telephone:

Release Number: 202610018  
Release Date: 3/6/26  
UIL Code: 501.06-00, 501.06-01

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)(6). 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.

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](http://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  
Redacted Letter 4038



Department of the Treasury  
Internal Revenue Service

Date:  
10/20/2025  
Employer ID number:

Person to contact:  
Name:  
ID number:  
Telephone:  
Fax:

**Legend:**

B = State  
C = Date  
D = Date  
E = Name  
F = Address  
G = Range  
h dollars = Dollars

UIL:  
501.06-00  
501.06-01

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)(6). 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)(6)? No, for the reasons stated below.

**Facts**

You are a mutual benefit corporation incorporated in B on C. You amended your Articles of Incorporation on D. Your amended Articles of Incorporation state that your corporation is an association formed to manage a common interest development under the Commercial and Industrial Common Interest Development Act.

Your primary activity is to manage your business condominium common areas and address any owner issues. You are a commercial owners' association and a nonprofit corporation that governs E, located at F, in which the commercial units are owned and used for non-residential purposes. Your board collects fees to pay community area expenses every year.

You will not restrict your membership to individuals, firms, associations, and/or corporations, each representing a different trade, business, occupation, or profession, and organized for the purpose of exchanging information on business prospects. You will not market a specific product or brand within an industry. You will not limit

your activities to users of a specific product within an industry and you will not operate a listing or referral system.

Your primary function is to manage the day-to-day requirements of keeping the building and common areas functional, while caring for and managing the building and common areas for the benefit of the commercial condominium owners and tenants. You also make improvements as needed and as requested by the condominium owners.

You charge monthly dues of h dollars, which is determined by a vote of your board members. The fees collected pay the community area expenses every year. You stated the activity furthers your exempt purpose because the association cares for the common areas for the benefit of the owners in the condominium without a goal of monetary profits and that all your board members are volunteers who are working without pay.

Your members common business interest is that the members require a functioning building, adequate common area maintenance, and management. You promote the members common business interest by managing the day-to-day requirements of keeping the building and common areas functional..

You will provide services for members by managing the building and common areas. For the benefit of the commercial condominium owners and tenants.

Your assets will be distributed according to Corporations Code Sections G, as amended in the event the association dissolves.

#### **Law**

Section 501(c)(6) IRC Section 501(c)(6) exempts from federal income tax business leagues, chambers of commerce, real estate boards, boards of trade, and professional football leagues (whether or not administering a pension fund for football players), which are not organized for profit and no part of the net earnings of which inures to the benefit of any private shareholder or individual.

Treasury Regulation 1.501(c)(6)-1 states that a business league is an association of persons having some common business interest, the purpose of which is to promote such common interest and not to engage in a regular business of a kind ordinarily carried on for profit. It is an organization of the same general class as a chamber of commerce or board of trade. Thus, its activities should be directed to the improvement of business conditions of one or more lines of business as distinguished from the performance of particular services for individual persons. An organization whose purpose is to engage in a regular business of a kind ordinarily carried on for profit, even though the business is conducted on a cooperative basis or produces only sufficient income to be self-sustaining, is not a business league.

Revenue Ruling 59-391, 1959-2 C.B. 151, held that an organization composed of individuals, firms, associations and corporations, each representing a different trade, business, occupation or profession whose purpose is to exchange information on business prospects has no common business interest other than a mutual desire to increase their individual sales. The activities are not directed to the improvement of one or more lines of business, but rather to the promotion of the private interests of its members and is not exempt under section 501(c)(6) of the code.

Rev. Rul. 68-264, 1968 1 C.B. 264 defines a particular service for the purposes of section 501(c)(6) the Code as being activity that serves as a convenience or economy to the members of the organization in the operation of their businesses. Activities that constitute the performance of particular services for individual persons may preclude exemption from Federal income tax under section 501(c)(6) of the Code. Therefore, for this further reason, the organization is not exempt from Federal income tax under section 501(c)(6) of the Code.

Rev. Rul. 73-411, 1973-2 C.B. 180, describes an organization that was not structured along industry or business lines but was composed of various types of businesses and commercial endeavors comprising a shopping center. Therefore, its right to exemption, if any, had to rest on its characterization as a chamber of commerce or board of trade or similar organization. The revenue ruling further indicates that chambers of commerce and boards of trade direct their efforts at promoting the common economic interests of all the commercial enterprises in a given trade community. In the case of a chamber of commerce or similar organizations, the common business interest is usually the general economic welfare of a community. Membership is voluntary and open generally to all business and professionals in the community.

In Indiana Retail Hardware Ass'n., Inc. V. United States, 117 Ct. Cl. 288 (1966), the court held that when conducting particular services for members is a substantial activity of an organization, the organization will be precluded from exemption under IRC Section 501(c)(6).

#### **Application of law**

You are not organized and operated exclusively for purposes within the meaning of IRC Section 501(c)(6) because you are not operating a business league, chambers of commerce, real estate board, board of trade, or a professional football league. You also have the net earnings of the organization inuring to the benefit of private shareholder or individuals because you stated that you perform or will perform the following services for you members or others: Care for and manage the building and common areas for the benefit of the commercial condominium owners and tenants.

You do not meet the requirements of Treas. Reg. 1.501(c)(6)-1 because you are not operated for exempt purposes. Your activities are not directed to the improvement of business conditions of one or more lines of business. Your activities are the performance of particular services for individual persons. You provide services to your members to manage the day-to-day requirements of keeping the building and common areas functional. You also make improvements as needed and as requested by the condo owners.

You are similar to the organization described in Rev. Rul. 59-391 and Rev. Rul. 68-264 because you are performing a particular service that serves individual persons of the organization in the operation of their businesses. You care for and manage the building and common areas for the benefit of the commercial condominium owners and tenants. You also make improvements as needed and as requested by the condo owners. These activities constitute the performance of particular services for individual persons and preclude exemption under Section 501(c)(6).

Like the organization in Rev. Rul. 73-411, you are not structured along any particular industry or business lines. You are composed of various types of businesses. Therefore, to meet exemption under IRC Section 501(c)(6), you must depend on being characterized as a chamber of commerce. Because your membership is not open to all businesses in your community but only to businesses in E, you do not meet the definition of a chamber of commerce within the meaning of Section 501(c)(6) as explained in this revenue ruling.

Like the organization in Indiana Retail Hardware Assn. Inc., your activities do not improve the business conditions of one or more lines of business or business conditions of any community as a whole. Instead, you serve the private interests of your members.

### **Conclusion**

The activities you are conducting do not qualify for exemption under 501(c)(6). These activities are not for the improvement of business conditions of one or more lines of business as distinguished from the performance of particular services for individual persons. You engage in activities that are primarily for the performance of particular services for the members of the organization.

### **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](http://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](http://www.taxpayeradvocate.irs.gov) or call 877-777-4778.

Sincerely,

Stephen A. Martin  
Director, Exempt Organizations  
Rulings and Agreements