



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

Date:
02/02/2026
Employer ID number:

Form you must file:

Tax years:

Person to contact:
Name:
ID number:
Telephone:

Release Number: 202618014
Release Date: 5/1/26
UIL Code: 501.06-00

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.

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:
12/10/2025
Employer ID number:

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

Legend:

Q = State
R = Date
S = Individuals
T = Ethnicity
u dollars = Dollars

UIL:
501.06-00

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 filed a certificate of registration of an unincorporated organization nonprofit association in Q on R. Your Bylaws indicated that you are dedicated to raising the political influence of S. You indicate that membership is based on referrals within the T community. Additionally, when referred members paid the membership fees at a minimum of u dollars, they would be accepted as members. You do not have a written membership application.

You state that your purpose is to bring your community together and ensure that your collective voice is heard. Your goal is to convey your concerns to public officials in a consistent and effective manner and to safeguard the rights and interests of S. You seek opportunities to engage with mayors, city council members, county and state officials, law enforcement agencies, policymakers, district attorneys, federal representatives, and U.S. Senators.

You state that you remain neutral and do not support any political party or show preference for any individuals or groups. You remain solely focused on the advancement and well-being of your community. You understand that when you extend support to political candidates, the benefits of your shared interests may not be immediate and instead you see this support as a long-term investment in the future of your community.

Substantially all of your membership fees received in 2024 were subsequently contributed to individual candidates' political campaigns.

Law

IRC Section 501(c)(6) provides exemption from federal income tax for business leagues, chamber of commerce, real-estate boards, boards of trade, or professional football leagues (whether or not administering a pension fund for football players), 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 interests, 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 any 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 70-244, 1970-1 C.B. 132, shows an organization whose membership consists of business and professional persons in the community. Its articles of incorporation state it was formed to bring together members and their guests to exchange ideas for improving business conditions within the community. It does not have any specific program directed to the improvement of business conditions in the community. Since this organization has no program designed to improve business conditions of one or more lines of business, it is held that the organization is not exempt from federal income tax under IRC 501 (c)(6).

In Bluetooth SIG, Inc. v. United States, 611 F.3d 617 (9th Cir. 2010), the court examined an organization that was formed to advance the common business interests of its members in the development and regulation of technical standards for the compatibility and interoperability of wireless products and devices within a wireless personal area network. The organization develops specifications and use applications and promotes consumer awareness and marketing through its Bluetooth technology and trademark. The court held that the organization was not a tax-exempt business league under IRC Section 501(c)(6) because the organization's activities exclusively benefit its members, rather than an entire line of business. The court reiterated in order to decide whether a particular entity qualifies as a business league under the Section 501(c)(6), a business league must have the following characteristics:

1. It must be an association of persons having some common business interest
2. Its purpose must be to promote this common business interest
3. It must not be organized for profit
4. It should not be engaged in a regular business of a kind ordinarily conducted for a profit
5. Its activities should be directed toward the improvement of business conditions of one or more lines of business as distinguished from the performance of particular services for individual persons
6. It must be the same general class as a chamber of commerce or a board of trade

Application of law

You are not described in IRC Section 501(c)(6) and Treas. Reg. Section 1.501(c)(6)-1 because the facts show you are not formed to promote the common business interests of your members. Your bylaws do not list membership criteria or common business interest required for membership. Additionally, you have no application for membership, and instead include participants based off of recommendations and a minimum financial contribution. You have not established that your members share a common business interest, and the only shared interest of your members is the desire to donate to political campaigns. You state in your application that your purpose is to increase the standing of S in your community, while your financial statements indicate your funds are spent entirely on supporting political candidates for public office. Providing contributions to political campaigns does not promote the common business interests of your members. You also do not maintain a program directed toward the improvement of business conditions of one or more lines of business.

You are similar to the organization described in Rev. Rul. 70-244. Your activities consist entirely of providing political campaign contributions, which do not further the business interests of your members and do not improve the business conditions in one or more lines of business.

You are similar to the organization described in Bluetooth SIG, Inc., in that your members do not share a common business interest, your purpose is not to promote your members common business interest, and your activities are not directed toward the improvement of business conditions of one or more lines of business. Your sole activity is providing contributions to political campaigns. These political campaign contributions further broader purposes than the business interests of your members. By furthering purposes broader than your members common business interests, you are not primarily operated as a business league.

Conclusion

Based on the information provided, you are not operated as a business league described in IRC Section 501(c)(6). Your members do not share a common business interest, your purpose is not to promote a common business interest, and you do not direct your activities toward the improvement of business conditions of one or more lines of business.

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.

We sent a copy of this letter to your representative as indicated in your power of attorney.

5

Sincerely,

Stephen A. Martin
Director, Exempt Organizations
Rulings and Agreements