



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

Date:
03/11/2026
Employer ID number:

Form you must file:

Tax years:

Person to contact:

Release Number: 202623017
Release Date: 6/5/26
UIL Code: 501.03-30

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
Redacted Letter 4038



**Department of the Treasury
Internal Revenue Service**

Date: 01/06/2026

Employer ID number:

Person to contact:

Name:

ID number:

Telephone:

Fax:

Legend:

B = Date

C = State

UIL:

501.03-30

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, Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code. You were formed as a Nonprofit Limited Liability Company (LLC) on B in C. You submitted Articles of Organization for the Limited Liability Company (LLC) and you confirmed in your articles that all members of your LLC are individual members. You have no IRC Section 501(c)(3) members. Your Articles of Organization contain no provisions to ensure that your activities will be conducted for an exempt purpose or that you are organized for an exempt purpose, or that your assets will be devoted to exempt purposes upon dissolution. You did not submit an operating agreement.

You stated that you will function as a nonprofit organization and the LLC you formed as will be a subsidiary of the nonprofit organization. You explained that the LLC will operate as a separate entity but is fully owned and controlled by the nonprofit. No organizing document for a separate nonprofit organization was submitted.

Your activities consist of the servicing and maintenance of an online web-based guide which provides educational resources and research for health professionals and patients worldwide.

Law

Internal Revenue Code Section 501(c)(3) provides for the recognition of exemption of organizations that are organized and operated exclusively for religious, charitable or other purposes as specified in the statute. No part of the net earnings may inure to the benefit of any private shareholder or individual.

Treasury Regulation Section 1.501(c)(3)-1(a)(1) states that, in order to be exempt as an organization described in IRC Section 501(c)(3), an organization 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(b)(1)(i) provides that an organization is organized exclusively for one or more exempt purposes only if its articles of organization:

- (a) Limit the purposes of such organization to one or more exempt purposes; and
- (b) Do not expressly empower the organization engage, otherwise than as an insubstantial part of its activities, in activities that in themselves are not in furtherance of one or more exempt purposes.

Treas. Reg. Section 1.501(c)(3)-1(b)(4) holds that an organization is not organized exclusively for one or more exempt purposes unless its assets are dedicated to an exempt purpose. An organization's assets will be considered dedicated to an exempt purpose, for example, if, upon dissolution, such assets would, by reason of a provision in the organization's articles or operation of law, be distributed for one or more exempt purposes.

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 of 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.

Notice 2021-56, 2021-45 I.R.B. 716, 2021, sets forth current standards that a limited liability company (LLC) must satisfy to receive a determination letter recognizing it as tax-exempt under section 501(a) of the Internal Revenue Code and described in section 501(c)(3).

Notice 2021-56, Section 2.03 states that the historical standards the IRS has applied for issuing determination letters have included a requirement that all members of an LLC must themselves be Section 501(c)(3) organizations, governmental units, or wholly-owned instrumentalities of a state or political subdivision thereof.

Notice 2021-56, Section 3.02, Standards for Section 501(c)(3) Status of Limited Liability Companies, lists required provisions of LLC articles of organization and operating agreement. To qualify, both the LLC's articles of organization and its operating agreement must include:

1. Each member of the LLC be either (i) an organization described in section 501(c)(3) and exempt from taxation under section 501(a) or (ii) a governmental unit described in section 170(c)(1) (or wholly owned instrumentality of such a governmental unit).
2. Express charitable purposes and charitable dissolution provisions in compliance with IRC Section 1.501(c)(3)-1(b)(1) and (4).
3. The express chapter 42 compliance provisions described in section 508€(1), if the LLC is a private foundation.

4. An acceptable contingency plan in the event that one or more members cease to be section 501(c)(3) organizations or governmental units (or wholly-owned instrumentalities thereof).

The LLC must represent that all provisions in its articles of organization and operating agreement are consistent with applicable state LLC law and are legally enforceable.

Application of law

IRC Section 501(c)(3) and Treas. Reg. Section 1.501(c)(3)-1(a)(1) set forth two main tests to qualify for exempt status. An organization must be organized and operated exclusively for purposes described in Section 501(c)(3). Your activities of providing educational resources and research to assist healthcare personnel and patients worldwide fulfill an educational purpose. You are therefore operated exclusively for one or more exempt purposes as addressed in Treas. Reg. Section 1.501(c)(3)-1(c)(1). However, you have failed the organizational requirements.

Your Articles of Organization do not contain a purpose or dissolution clause. Because your Articles of Incorporation do not limit your purposes to those described in Treas. Reg. Section 1.501(c)(3)-1(b)(1)(i) or dedicate your assets upon dissolution to exempt organizations as described in Treas. Reg. Section 1.501(c)(3)-1(b)(4), you fail the organizational test under IRC Section 501(c)(3).

Furthermore, you did not submit an operating agreement and your Articles of Organization do not meet the organizational requirements for an LLC outlined in Notice 2021-56:

- Membership is not limited to organizations exempt under IRC Section 501(c)(3) or a governmental unit described in section 170(c)(1); instead, your members are individuals.
- Your Articles of Organization do not limit your purpose to one or more exempt purposes under IRC Section 501(c)(3) and they do not expressly empower you to engage in activities that are not in furtherance of one or more exempt purposes. Also, they do not limit the distribution of your assets upon dissolution for one or more exempt purposes.
- Your members are individuals, not entities who are exempt under IRC Section 501(c)(3) or governmental units (or wholly instrumentalities thereof). Therefore, you do not have a contingency plan if one of more of those members cease to be exempt under IRC Section 501(c)(3) or governmental units (or wholly owned instrumentalities thereof).

Conclusion

Based on the information you have submitted you do not qualify for exemption under IRC Section 501(c)(3). You do not meet the organizational test because your Articles of Organization do not limit your purposes to one or more exempt purposes. In addition, your Articles of Organization have not dedicated your assets to an exempt purpose upon dissolution.

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