



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

Date:
04/10/2026
Employer ID number:

Form you must file:

Tax years:

Person to contact:

Release Number: 202627014
Release Date: 7/2/26
UIL Code: 501.04-00, 501.33-00

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)(4). 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
Letter 4038



**Department of the Treasury
Internal Revenue Service**

Date:
02/20/2026
Employer ID number:

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

Legend:

B = Date
C = State
D = Compatriots
E = City
F = Country
G = Number
H = Number
x dollars = dollar amount
y dollars = dollar amount

UIL:
501.04-00
501.33-00

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

Facts

You incorporated on B, in the state of C. Your Articles of Incorporation state that you were formed to guide and welcome all new and current D living in E toward a better future and the flourishing of all, based on mutual respect, solidarity, and social cohesion.

Your application states you were formed to provide financial assistance to your members (compatriots from F) when they have an unfortunate event, such as a death or a legal issue, or a happy event, such as a wedding or a baby shower. A determined amount of money will be taken from the total donations to assist them. A member must be up to date with their monthly donations and participate in your events, such as baby showers or your general assemblies, to be eligible for assistance.

To be a member, anyone from F must pay a x dollars signup fee. Additionally, members are required to donate y dollars every month. Members should also agree to adhere to your rules and codes of conduct. You are

comprised of executive members and regular members. Executive members, numbering G, provide your leadership. Regular members are not limited to a specific number since anyone from F is welcome to become a member. As of today, you have a total of H members. Every member has an equal voting right. You are fully funded by membership fees.

Law

IRC Section 501(c)(4) provides for the exemption from federal income tax for organizations not organized for profit but operated exclusively for the promotion of social welfare, and the net earnings of which are devoted exclusively to charitable, educational, or recreational purposes. Additionally, no part of the net earnings of such entity inures to the benefit of any private shareholder or individual.

Treasury Regulation Section 1.501(c)(4)-1(a)(1)(ii) provides that an organization may be tax-exempt if it is operated exclusively for the promotion of social welfare.

Treas. Reg. Section 1.501(c)(4)-1(a)(2)(i) provides that an organization is operated exclusively for the promotion of social welfare if it is primarily engaged in promoting in some way the common good and general welfare of the people of the community. An organization embraced within IRC Section 501(c)(4) is one that is operated primarily for the purpose of bringing about civic betterments and social improvements.

Revenue Ruling 54-394, 1954-2 C.B. 131, held that an organization that provided television signals in an area not adaptable to ordinary reception to members on a cooperative basis where requirements for membership were to contract for services and to pay installation fees did not qualify for IRC Section 501(c)(4).

Rev. Rul. 62-167, 1962-2 C.B. 142, held that an organization that provided television signals in an area not adaptable to ordinary reception for the community as a whole qualified for IRC Section 501(c)(4).

Rev. Rul. 75-199, 1975-1 C.B. 160, held that an organization that restricts its membership to individuals of good moral character and health belonging to a particular ethnic group residing in a stated geographical area and provides sick benefits to members and death benefits to their beneficiaries doesn't qualify for exemption under IRC Section 501(c)(4).

In Police Benevolent Association of Richmond, Virginia v. U.S., 661 F. Supp. 765 (1987), the court held that an organization whose sole purpose was to provide supplemental pension benefits to retired active members of the corporation wasn't eligible for exemption under IRC Section 501(c)(4). The court found that the association was not operated "exclusively for the promotion of social welfare" because it was "essentially a mutual self-interest type of organization," which provided primary benefits to its members.

Application of law

IRC Section 501(c)(4) and Treas. Reg. Section 1.501(c)(4)-1(a)(2)(ii) sets forth that organizations must be operated exclusively for the promotion of social welfare to qualify for exempt status. Treas. Reg. Section 1.501(c)(4)-1(a)(2)(i) provides that an organization is operated exclusively for the promotion of social welfare if it is primarily engaged in promoting in some way the common good and general welfare of the people of the community.

You are like Rev. Rul. 54-394 and Rev. Rul. 75-199 that share a similar fact pattern:

- A limited membership,
- Dues paid for membership, and
- Benefits provided to the members.

Given those facts, each of the rulings held the organization did not operate exclusively for the promotion of social welfare. You share the same fact pattern of a limited membership, dues paid for membership, and benefits provided to members, and you do not operate exclusively for the promotion of social welfare.

You are like Police Benevolent Association of Richmond, Virginia because you are essentially a mutual self-interest type of organization, which provides primary benefits to your members. Providing financial assistance solely to your members (compatriots from F), who are in good standing, when they have an unfortunate event, such as a death or a legal issue, or a happy event, such as a wedding or a baby shower does not exclusively promote social welfare as defined in IRC Section 501(c)(4).

You are not like Rev. Rul. 62-167 because you do not provide your benefits to the community as a whole. Rather, you only provide benefits to your limited membership. Your membership is limited to anyone from F who pays the appropriate memberships fees.

Conclusion

You do not operate exclusively for the promotion of social welfare. Thus, you do not qualify for IRC Section 501(c)(4).

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