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

Date:
04/21/2026
Employer ID number:

Form you must file:

Tax years:

Person to contact:

Release Number: 202629021
Release Date: 7/17/26
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.

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

IRS

Date:
03/04/2026
Employer ID number:

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

Legend:
B = Date
C = State
e dollars = Fee

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 incorporated on B, in the state of C. Your application states that your purpose is to promote the common business interests of your members. You state your goal is to cultivate a vibrant and supportive community of professionals, entrepreneurs, and business leaders through meaningful networking opportunities and connections, exchange knowledge and resources, along with other related activities. Your board will coordinate and lead these activities. You later indicate that your common business interest is not a single line of business, but rather you are focused on the general economic welfare and improvement of all business conditions within your local community.

You are a membership organization, and your membership is open to the public. Your activities include monthly meetings for members, and quarterly meetings that will be open to the general, non-member, business community. Your meetings will include networking opportunities with dedicated time for members to engage, learn, and make valuable business connections. There will be times when you invite guest speakers or have members share their expertise on topics relevant to business marketing, finance, sales, technology, etc. Guest speakers may or may not be a current member. Your members will provide leads, referrals, and strategic partnerships to other members. You operate a listing and referral system that is covered financially by your annual membership dues. You have a directory listing of all businesses of your members. The listing will provide another way for members to increase sales, revenue, and connections in your city. Your members do not have common business interests except to grow revenue, increase customer base, and improve their individual profitability.

Your membership will be restricted to specific individuals, firms, associations, and/or corporations, who each represent a different trade, business, occupation, or profession to avoid diminishing the opportunities to your members. There are no restrictions on the types of trades, businesses or professions, as long as it is not currently being represented. The eligibility requirement for members will be that they do not represent a business or industry that is already represented. There is no limit on the number of members as long as each member represents a unique and specific industry of business and has been in operation for a minimum amount of time. All members will be considered associate members and will not have voting rights; however, they can serve on your committees. These requirements are outlined in your membership agreement.

You indicate you are funded by an annual membership fee of c dollars. All fees received will be to conduct your meetings, produce any promotional materials, operate your referral system and any additional administrative costs related to your purpose and activities.

Law

IRC Section 501(c)(6) provides exemption from federal income tax for business leagues, chambers of commerce, real-estate boards, boards of trade, or professional football leagues, 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 Section 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 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 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 IRC Section 501(c)(6).

In Indiana Retail Hardware Assn.. Inc. v. United States, 366 F.2d 998 (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).

In MIB, Inc. v. Commissioner, 734 F.2d 71 (1986), the Court held that the organization's activities by their nature consisted of rendering particular services for individual member companies and served to benefit the members' businesses. It also stated that even though the services produced various indirect and tangible benefits for the industry as a whole, the fact remained that the services rendered were in form and substance particular services for individual member companies.

Application of law

You are not described in IRC Section 501(c)(6) and Treas. Reg. Section 1.501(c)(6)-1 because you are not formed to promote the common business interests of a particular industry or trade, but rather you are formed to benefit your members' business interests, to increase revenue, increase customer base, and improve the profitability. Your membership is restricted to anyone from a different trade, business, occupation, or profession to avoid diminishing the opportunities to your members. Your members have no common business interest other than a desire to increase sales, and their individual profitability. Since you have no program designed to improve actual business conditions along one or more lines of business, you do not qualify under Section 501(c)(6).

You are like the organization described in Rev. Rul. 59-391. This is evidenced by the fact that your members are from different trades of businesses who are seeking to improve their own individual sales and overall success in their individual businesses or careers, and this is evidenced by the purpose and overall stated goals of your meetings. Seeking business referrals for your individual and the promotion of their private interests is not an exempt activity within the meaning of IRC Section 501(c)(3).

Like the organizations described in Indiana Retail Hardware Assn., Inc. and MIB, 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, a substantial portion of your activities and the membership fees that you collect are geared toward providing a referral service to your members, and as such, you serve the private business interests of your individual members. Therefore, you are precluded from exemption under IRC Section 501(c)(6).

Conclusion

Based on the information provided, you are not operated as a business league described in IRC Section 501(c)(6). Your primary purpose is to further the private business interests of your members, and your activities are not directed toward the improvement of business conditions of one or more lines of business. You do not have a common business interest other than a desire to increase sales of members. Accordingly, you do not qualify for exemption under Section 501(c)(6).

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