



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

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CERTIFIED MAIL - Return Receipt Requested

Dear [REDACTED]

Why we are sending you this letter

This is a 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), effective [REDACTED]. Your determination letter dated [REDACTED], is revoked.

Our adverse determination as to your exempt status was made for the following reasons: Organizations described in Section 501(c)(3) of the Internal Revenue Code and exempt under Section 501(a) must be both organized and operated exclusively for exempt purposes. You have failed to produce documents to establish that you have engaged in any activity to accomplish an exempt purpose, so you have failed to establish that you operate exclusively for exempt purposes. Thus, you did not meet exemption requirements under IRC Sec. 501(c)(3).

Organizations that are not exempt under IRC Section 501 generally are required to file federal income tax returns and pay tax, where applicable. For further instructions, forms and information please visit [IRS.gov](https://www.irs.gov).

Contributions to your organization are no longer deductible under IRC Section 170.

What you must do if you disagree with this determination

If you want to contest our final determination, you have 90 days from the date this determination letter was mailed to you to file a petition or complaint in one of the three federal courts listed below.

How to file your action for declaratory judgment

If you decide to contest this determination, you can file an action for declaratory judgment under the provisions of Section 7428 of the Code in either:

- The United States Tax Court,
- The United States Court of Federal Claims, or
- The United States District Court for the District of Columbia

You must file a petition or complaint in one of these three courts within 90 days from the date we mailed this determination letter to you. You can download a fillable petition or complaint form and get information about filing at each respective court's website listed below or by contacting the Office of the Clerk of the Court at one of the addresses below. Be sure to include a copy of this letter and any attachments and the applicable filing fee with the petition or complaint.

Date: [REDACTED]

Taxpayer ID number (last 4 digits): [REDACTED]

Form: [REDACTED]

Tax periods ended: [REDACTED]

Person to contact:

Name: [REDACTED]

ID number: [REDACTED]

Telephone: [REDACTED]

Fax: [REDACTED]

Last day to file petition with United States
Tax Court: [REDACTED]

You can eFile your completed U.S. Tax Court petition by following the instructions and user guides available on the Tax Court website at ustaxcourt.gov/dawson.html. You will need to register for a DAWSON account to do so. You may also file your petition at the address below:

United States Tax Court
400 Second Street, NW
Washington, DC 20217
ustaxcourt.gov

The websites of the U.S. Court of Federal Claims and the U.S. District Court for the District of Columbia contain instructions about how to file your completed complaint electronically. You may also file your complaint at one of the addresses below:

US Court of Federal Claims
717 Madison Place, NW
Washington, DC 20439
uscfc.uscourts.gov

US District Court for the District of Columbia
333 Constitution Avenue, NW
Washington, DC 20001
dcd.uscourts.gov

Processing of income tax returns and assessments of any taxes due will not be delayed if you file a petition for declaratory judgment under IRC Section 7428.

We'll notify the appropriate state officials (as permitted by law) of our determination that you aren't an organization described in IRC Section 501(c)(3).

The IRS office whose phone number appears at the top of the notice can best address and access your tax information and help get you answers. However, you may be eligible for free help from the Taxpayer Advocate Service (TAS) if you can't resolve your tax problem with the IRS or if you believe an IRS procedure just isn't working as it should. TAS is an independent organization within the IRS that helps taxpayers and protects taxpayer rights. Visit TaxpayerAdvocate.IRS.gov/contact-us or call 877-777-4778 (TTY/TDD 800-829-4059) to find the location and phone number of your local advocate. Learn more about TAS and your rights under the Taxpayer Bill of Rights at TaxpayerAdvocate.IRS.gov. Do not send your Tax Court petition to TAS. Use the Tax Court address provided earlier in the letter. Contacting TAS does not extend the time to file a petition.

Where you can find more information

Enclosed are Publication 1, Your Rights as a Taxpayer, and Publication 594, The IRS Collection Process, for more comprehensive information.

Find tax forms or publications by visiting IRS.gov/forms or calling 800-TAX-FORM (800-829-3676). If you have questions, you can call the person shown at the top of this letter.

If you prefer to write, use the address shown at the top of this letter. Include your telephone number, the best time to call, and a copy of this letter.

You may fax your documents to the fax number shown above, using either a fax machine or online fax service. Protect yourself when sending digital data by understanding the fax service's privacy and security policies.

Keep the original letter for your records.

Sincerely,

A solid black rectangular box used to redact the signature of Lynn A. Brinkley.

Lynn A. Brinkley
Director, Exempt Organizations Examinations

Enclosures:

Publication 1

Publication 594

Publication 892



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

[REDACTED]

[REDACTED]

Date:

Taxpayer ID number:

Form:

Tax periods ended:

Person to contact:

Name:

ID number:

Telephone:

Fax:

Address:

Manager's contact information:

Name:

ID number:

Telephone:

Response due date:

CERTIFIED MAIL – Return Receipt Requested

Dear [REDACTED]:

Why you're receiving this letter

We enclosed a copy of our audit report, Form 886-A, Explanation of Items, explaining that we propose to revoke your tax-exempt status as an organization described in Internal Revenue Code (IRC) Section 501(c)(3).

If you agree

If you haven't already, please sign the enclosed Form 6018, Consent to Proposed Action, and return it to the contact person shown at the top of this letter. We'll issue a final adverse letter determining that you aren't an organization described in IRC Section 501(c)(3) for the periods above.

After we issue the final adverse determination letter, we'll announce that your organization is no longer eligible to receive tax deductible contributions under IRC Section 170.

If you disagree

1. Request a meeting or telephone conference with the manager shown at the top of this letter.
2. Send any information you want us to consider.
3. File a protest with the IRS Appeals Office. If you request a meeting with the manager or send additional information as stated in 1 and 2, above, you'll still be able to file a protest with IRS Appeals Office after the meeting or after we consider the information.

The IRS Appeals Office is independent of the Exempt Organizations division and resolves most disputes informally. If you file a protest, the auditing agent may ask you to sign a consent to extend the period of limitations for assessing tax. This is to allow the IRS Appeals Office enough time to consider your case. For your protest to be valid, it must contain certain specific information, including a statement of the facts, applicable law, and arguments in support of your position. For specific information needed for a valid protest, refer to Publication 892, How to Appeal an IRS Determination on Tax-Exempt Status.

Fast Track Mediation (FTM) referred to in Publication 3498, The Examination Process, generally doesn't apply now that we've issued this letter.

4. Request technical advice from the Office of Associate Chief Counsel (Tax Exempt Government Entities) if you feel the issue hasn't been addressed in published precedent or has been treated inconsistently by the IRS.

If you're considering requesting technical advice, contact the person shown at the top of this letter. If you disagree with the technical advice decision, you will be able to appeal to the IRS Appeals Office, as explained above. A decision made in a technical advice memorandum, however, generally is final and binding on Appeals.

If we don't hear from you

If you don't respond to this proposal within 30 calendar days from the date of this letter, we'll issue a final adverse determination letter.

Contacting the Taxpayer Advocate Office is a taxpayer right

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 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.

Additional information

You can get any of 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 shown at the top of this letter.

Sincerely,

A large black rectangular redaction box covering the signature of the Supervisory Internal Revenue Agent.

Supervisory Internal Revenue Agent

Enclosures:
Form 886-A
Form 6018

Form 886-A (May 2017)	Department of the Treasury – Internal Revenue Service Explanations of Items	Schedule number or exhibit
Name of taxpayer	Tax Identification Number (last 4 digits)	Year/Period ended

Issue

Whether (the Taxpayer) continues to qualify for exemption for Federal income tax under Section 501(c)(3) of the Internal Revenue Code (IRC).

Facts

The Taxpayer filed Form 1023-EZ for their original exemption on , and was granted exemption on , with an effective date of . The Taxpayer was then automatically revoked for failure to file three, or more, annual Form 990 Returns on . The Taxpayer filed Form 1023 for reinstatement of exemption on , and was granted exemption under IRC Section 501(c)(3) on , with an effective date of exemption of .

An organization exempt under IRC Sec. 501(c)(3) needs to be organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary or educational purposes and to foster national and amateur sports competition.

The Organization was selected for audit to ensure that the examined organization's activities and operations align with its approved exempt status.

The Organization failed to respond to the Internal Revenue Service attempts to obtain information to perform an audit of Form 990 for the above-mentioned tax period.

Correspondence for the examination was as follows:

- Letter 6031 (Rev. 9-2022) with attachments were mailed to the organization on . The correspondence had a response date of , for initial contact and a response date of , for the information related to the Information Document Request.
- Received and returned call from the Taxpayer's president, , on , for initial phone call. Revenue Agent received voicemail and asked Taxpayer to return call to conduct initial phone call.
- Returned call from the Taxpayer's president, , on , for initial phone call. Revenue Agent and president spoke about examination dates and attempted to rescheduled examination.
- Received phone call from Taxpayer's president on , that Taxpayer would be available for an examination sooner rather than later.

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Name of taxpayer	Tax Identification Number (last 4 digits)	Year/Period ended

- Letter 6031 (Rev. 9-2022) with attachments were mailed to the organization on , . The correspondence had a response date of , for confirmation of appointment and a response date of , for the information related to the Information Document Request.
- Spoke on phone call with the Taxpayer's president, , on , confirming the date and time of the examination.
- Returned call from Taxpayer's president, , on , and left voicemail explaining that examination would be conducted via correspondence. The president was informed the interview would take place via phone at previously scheduled date and time, along with the information requested, on .
- Called and left voicemail to the Taxpayer's president, , on , to remind Taxpayer of interview scheduled for , . Additionally, reminded Taxpayer request information was due on .
- Called and left voicemail to the Taxpayer's president, , on , to attempt to conduct scheduled interview. Due to no response agent requested Taxpayer call back to conduct interview.
- Letter 5077-B (Rev. 1-2017) with attachments were mailed to the organization on , . The correspondence stated that the Internal Revenue Service would propose adjustments based on the information we have. The correspondence had a response date of , for the information related to the Information Document Request.
- Letter 5077-A (Rev. 9-2016) with attachments were mailed certified to the organization on , . records show the correspondence was received on , . The correspondence had a response date of , for the information related to the Information Document Request.

Law

Internal Revenue Code (IRC) Section 501(c)(3) provides that an organization organized and operated exclusively for charitable or educational purposes is exempt from Federal income tax, provided no part of its net earnings inures to the benefit of any private shareholder or individual.

IRC Section 511 imposes a tax at corporate rates under section 11 on the unrelated business taxable income of certain tax-exempt organizations, including those described in section 501(c)(3).

IRC Section 6001 provides that every person liable for any tax imposed by this title, or for the collection thereof, shall keep such records, render such statements, make such returns, and

Form 886-A (May 2017)	Department of the Treasury – Internal Revenue Service Explanations of Items	Schedule number or exhibit
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comply with such rules and regulations as the Secretary may from time to time prescribe. Whenever in the judgment of the Secretary it is necessary, he may require any person, by notice served upon such person or by regulations, to make such returns, render such statements, or keep such records, as the Secretary deems sufficient to show whether or not such person is liable for tax under this title.

IRC Section 6033 (a)(1) provides, except as provided in section 6033(a)(2), every organization exempt from tax under section 501(a) shall file an annual return, stating specifically the items of gross income, receipts and disbursements, and such other information for the purposes of carrying out the internal revenue laws as the Secretary may by forms or regulations prescribe, and keep such records, render under oath such statements, make such other returns, and comply with such rules and regulations as the Secretary may from time to time prescribe.

Treasury Regulation Section 1.501(c)(3)-1(a) states in order to be exempt under Section 501 (c)(3) the organization must be both organized and operated exclusively for one or more of the purposes specified in the section, (religious, charitable, scientific, testing for public safety, literary or educational).

Treasury Regulation Section 1.501(c)(3)-1(a)(1) states that in order to be exempt as an organization described in 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.

Treasury Regulation Section 1.501(c)(3)-1(c)(1) provides that an organization will not be regarded as "operated exclusively" for one or more exempt purposes described in Section 501(c)(3) of the Code if more than an insubstantial part of its activities is not in furtherance of a 501(c)(3) purpose. Accordingly, the organization does not qualify for exemption under Section 501(c)(3) of the Code.

Treasury Regulation Section 1.61-1 provides that Gross income means all income from whatever source derived, unless excluded by law. Gross income includes income realized in any form, whether in money, property, or services. Income may be realized, therefore, in the form of services, meals, accommodations, stock, or other property, as well as in cash.

Treasury Regulation Section 1.6001-1(c) provides that such permanent books and records as are required by paragraph (a) of this section with respect to the tax imposed by section 511 on unrelated business income of certain exempt organizations, every organization exempt from tax under section 501(a) shall keep such permanent books of account or records, including inventories, as are sufficient to show specifically the items of gross income, receipts and disbursements. Such organizations shall also keep such books and records as are required to substantiate the information required by IRC Section 6033. See IRC Section 6033 and Regulation Section 1.6033-1 through 1.6033-3.

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Treasury Regulation Section 1.6001-1(e) provides that the books or records required by this section shall be kept at all time available for inspection by authorized internal revenue officers or employees, and shall be retained as long as the contents thereof may be material in the administration of any internal revenue law.

Treasury Regulation Section 6033(a)(1) provides, except as provided in section 6033(a)(2), every organization exempt from tax under section 501(a) shall file an annual return, stating specifically the items of gross income, receipts and disbursements, and such other information for the purposes of carrying out the internal revenue laws as the Secretary may by forms or regulations prescribe, and keep such records, render under oath such statements, make such other returns, and comply with such rules and regulations as the Secretary may from time to time prescribe.

Treasury Regulation Section 1.6033-1 (h)(2) provides that every organization which has established its right to exemption from tax, whether or not it is required to file an annual return of information, shall submit such additional information as may be required by the district director for the purpose of enabling him to inquire further into its exempt status and to administer the provisions of Subchapter F (section 501 and the following), chapter 1 of the Code and section 6033.

Revenue Ruling 59-95, 1959-1 C.B. 627, concerns an exempt organization that was requested to produce a financial statement and statement of its operations for a certain year. However, its records were so incomplete that the organization was unable to furnish such statements. The Service held that the failure or inability to file the required information return or otherwise to comply with the provisions of section 6033 of the Code and the regulations which implement it, may result in the termination of the exempt status of an organization previously held exempt, on the grounds that the organization has not established that it is observing the conditions required for the continuation of exempt status.

Taxpayer's Position

Currently the Taxpayer's position is unknown.

Government's Position

Based on the above facts, the Organization failed to respond and/or verify that it is organized and operated exclusively for one or more of the purposes specified in IRC Section 501(c)(3). If an organization fails to meet either the organizational test or the operational test, it is not exempt.

In accordance with the above-cited provisions of the Code and Regulations under IRC Sections 6001 and 6033, organizations recognized as exempt from federal income tax must meet certain reporting requirements. These requirements relate to the filing of a complete and accurate annual information (and other required federal tax forms) and the retention of records sufficient to

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determine whether such entity is operated for the purposes for which it was granted tax-exempt status and to determine its liability for any unrelated business income tax.

Treasury Regulations Section 1.6033-1 (h)(2) specifically states that exempt organizations shall submit additional information for the purpose of enabling the Internal Revenue Service to inquire further into its exempt status.

Using the rationale that was developed in Revenue Ruling 59-95, the Organization's failure to provide requested information should result in the revocation of exempt status.

Conclusion

The organization failed to meet the reporting requirements under IRC Sections 6001 and 6033 to be recognized as exempt from federal income tax under 501(c)(3) of the Internal Revenue Code. Accordingly, the Organization's exempt status is revoked effective

Form returns should be filed for the tax periods after