



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

Release Number: 202643019
Release Date: 10/23/26
UIL Code: 501.03-00

Date:

April 2, 2026

Taxpayer ID number (last 4 digits):

Form:

Tax periods ended:

Person to contact:

Name:

ID number:

Telephone:

Fax:

Last day to file petition with United States
Tax Court:

July 1, 2026

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: Among other things, your organization has not operated in furtherance of its exempt purposes since [REDACTED]. In addition, it has failed to meet the operational and organizational tests required for exemption under IRC Section 501(c)(3). Treasury Regulation §1.501(c)(3)-1(c) provides that an organization will be regarded as operated exclusively for exempt purposes only if it engages primarily in activities that accomplish one or more of those purposes. An organization will not qualify for exemption if more than an insubstantial part of its activities is not in furtherance of an exempt purpose. To qualify for and maintain exemption under IRC Section 501(c)(3), an organization must meet both the operational and organizational tests. Based on the information provided, your organization does not satisfy these requirements.

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**.

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.

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.

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 large black rectangular redaction box covering the signature of the Director.

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:
02/04/2026
Taxpayer ID number:

Form:

Tax periods ended:

Person to contact:

Name:

ID number:

Telephone:

Fax:

Manager's contact information:

Name:

ID number:

Telephone:

Response due date:

03/04/2026

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.

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.



Supervisory Tax Specialist

Enclosures:

Form 886-A

Form 6018

Form 4621-A

Publication 892

Publication 3498-A

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

Issues:

Whether the organization, [REDACTED] ([REDACTED]) which qualified for exemption from Federal income tax under Section 501(c)(3) of the Internal Revenue Code, should be revoked due to its failure to operate exclusively for exempt purposes within the meaning of Internal Revenue Code 501(c)(3) and Treasury Regulation (Treas. Reg.) Section 1.501(c)(3)-1(b).

Facts:

[REDACTED] applied for tax-exempt status by filing the Form 1023-EZ, *Streamlined Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code*, on [REDACTED] and was granted tax-exempt status as a 501(c)(3) on [REDACTED].

Form 1023 shows the organization is a corporation incorporated in the State of [REDACTED] on [REDACTED]. The organization attested on Form 1023 that it has the organizing documents necessary for their organizational structure.

The organization was selected for audit to ensure that the activities and operations align with their approved exempt status.

The organization failed to respond to the Internal Revenue Service attempts to obtain information to perform an audit of Form 990-EZ for the tax year ending [REDACTED].

The Form 1023 application lists the phone number of [REDACTED] for an individual named [REDACTED].

Per the State of [REDACTED] Secretary of State website, the organization is inactive and dissolved as of [REDACTED].

- Correspondence for the audit was as follows:
 - Letter 6031 (Rev. 03-2022), *Initial Exam Appointment*, with attachments, was mailed to the organization on [REDACTED], with a response date of [REDACTED]. No response was received.
 - Letter 3844-A was sent via certified mail on [REDACTED], with a copy of the previous correspondence, and a new response due date of [REDACTED], to inform the Organization that we had not yet received a response.
 - Response received from the organization on [REDACTED], which explained

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Name of taxpayer [REDACTED]	Tax Identification Number (last 4 digits) [REDACTED]	Year/Period ended. [REDACTED]

that it was being used as a “shared services” company “to save money and time but especially to get medical insurance” for the founder’s other for-profit businesses.

- Form 4564, *Information Document Request*, was mailed to organization on [REDACTED] because its response dated [REDACTED] was incomplete.
- Form 4564, *Information Document Request*, was mailed on [REDACTED] after being informed that the organization would be dissolving, which included dissolution information and additional requested documents.
- Response received from organization on [REDACTED] which included preliminary amended 990-EZs for [REDACTED] and [REDACTED] a Schedule N, and a draft certificate of dissolution.
- Letter 1014 was mailed to organization on [REDACTED] to inform it of a delay in the examination due to a reassignment to a new Tax Compliance Officer (TCO).
- Letters 1477 and 4564, *Information Document Request*, were sent via certified mail to organization on [REDACTED] to request gross receipts for the tax periods ending [REDACTED] and [REDACTED]. This mail was held at the [REDACTED] and has not been picked up as of [REDACTED].
- Telephone contact for the audit was as follows:
 - Phone call received on [REDACTED] from [REDACTED] asking for an additional [REDACTED] weeks due to a busy tax season for [REDACTED] firm.
 - Initial interview conducted over the phone with [REDACTED] on [REDACTED]
 - Phone call with [REDACTED] on [REDACTED] during which [REDACTED] *Information Document Request* was discussed, and that [REDACTED] would be dissolving the organization.
 - Phone call with [REDACTED] on [REDACTED] to inform [REDACTED] about upcoming staffing changes. [REDACTED] has contact information for [REDACTED] until the case is assigned to another TCO. [REDACTED] is aware of the due date for the third *Information Document Request*.
 - TCO left a voicemail asking for a call back on [REDACTED].
 - TCO left a voicemail asking for a call back on [REDACTED].

Form 886-A (May 2017)	Department of the Treasury – Internal Revenue Service Explanations of Items	Schedule number or exhibit [REDACTED]
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- TCO left tried to reach [REDACTED] at a different number ([REDACTED]) but no one picked up and there was no voice mailbox.
- Received voicemail from [REDACTED] on [REDACTED] stating that the reason for delay in calling back was because several family members were having serious health issues. [REDACTED] has all the returns and dissolution document still ready to file but mentioned that [REDACTED] was holding off to hear back about whether we wanted [REDACTED] to e-file them or fax to us directly.
- TCO left voicemail asking for a call back on [REDACTED]. TCO would like to schedule a phone conference for [REDACTED] or [REDACTED].
- Received voicemail from [REDACTED] on [REDACTED] stating that [REDACTED] will be out [REDACTED] for funerals.
- TCO left voicemail for [REDACTED] on [REDACTED] letting him know that TCO sent [REDACTED] mail to his address nearly [REDACTED] ago but it's been held at the [REDACTED] since then. TCO requested that [REDACTED] pick up the mail when possible and respond.
- Received voicemail from [REDACTED] on [REDACTED] stating that another family member is very close to passing away as well so [REDACTED] might be unavailable again for some time.
- TCO left a voicemail on [REDACTED] asking [REDACTED] to call back and set up a phone conference and to retrieve the certified mail TCO sent when possible
- Received voicemail from [REDACTED] on [REDACTED] stating [REDACTED] had been busy with [REDACTED] funerals and that [REDACTED] be in the office most of the [REDACTED] days. [REDACTED] would like to discuss what [REDACTED] and the prior TCO talked about and said [REDACTED] had everything ready to file and just needs instructions on where/how to send them.
- Phone call with [REDACTED] on [REDACTED]. [REDACTED] let me know the amended returns were ready and that the organization has shut down and they have all the dissolution documents ready to file with the state.
TCO responded that [REDACTED] was working on a revocation for inactivity and [REDACTED] was not satisfied with the facts behind filing [REDACTED] Form 1120 returns. I offered repeatedly to set up a meeting with [REDACTED] and my manager, and [REDACTED] finally said that that would not be necessary.
[REDACTED] said the [REDACTED] servicing [REDACTED] address is very inconsistent so that was

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the reason [REDACTED] never picked up [REDACTED] mail. [REDACTED] added that the mail was probably lost. TCO responded that [REDACTED] would give [REDACTED] a heads up when the revocation package is in the mail so [REDACTED] will know to look out for it.

TCO also mentioned that [REDACTED] is free to disagree with the revocation and may appeal the TCO's determination if [REDACTED] so wishes.

- o TCO left a voicemail with [REDACTED] on [REDACTED] letting [REDACTED] know that TCO is still working on [REDACTED] case and has nothing new to report at the moment.

Law:

Internal Revenue Code (IRC) Section 501(c)(3) of the Code 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.

Treas. Reg. Section 1.501(c)(3)-1 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).

Treas. Reg. Section 1.501(c)(3)-1(a)(1) of the regulations 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.

Treas. Reg. Section 1.501(c)(3)-1(c)(1) of the regulations 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.

Organization's Position

The Organization's position is that [REDACTED] was in standby mode and had [REDACTED] activity during [REDACTED]. The founder, [REDACTED] owns [REDACTED] other for-profit businesses, each employing [REDACTED] person, and all of which (including [REDACTED]) are based out of the founder's home. "[REDACTED] used [REDACTED] as a "shared services" company— [REDACTED]"

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Government's Position

Operational test failure—inactivity

Treas. Reg. Section 1.501(c)(3)-1(c) states that an organization is operated exclusively for exempt purposes only if it engages in activities that accomplish its exempt purposes. Additionally, if more than an insubstantial part of its activities is not in furtherance of an exempt purpose, the organization does not qualify for exemption under Section 501(c)(3). Because [REDACTED] was in "standby mode" beginning in [REDACTED] and a substantial portion of its "activities" consisted of being used as a shared services company for other for-profit companies, [REDACTED] was not furthering its exempt purpose.

Conclusion:

Based on the foregoing reasons, the organization does not qualify for exemption under section 501(c)(3) and its tax-exempt status should be revoked.

The organization has not established that it is observing the conditions required for the continuation of its existing exempt status and has failed to meet the operational test by failing to engage in any exempt-purpose activity beginning in [REDACTED]

Form 1120, *U.S. Corporation Income Tax Return*, should be filed for the tax periods after [REDACTED]