



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

Date: June 3, 2022

Taxpayer ID number:

Form:

Tax periods ended:

Person to contact:

Name:

ID number:

Telephone:

Fax:

Number: **202248012**

Release Date: 12/2/2022

UIL: 501.03-00

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Dear _____:

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 _____. Your determination letter dated _____, is revoked.

Our adverse determination as to your exempt status was made for the following reasons: You are not described in IRC Section 501(c)(3) because you are not organized and operated exclusively for exempt purposes within the meaning of IRC Section 501(c)(3) and Treasury Regulations Sections 1.501(c)(3)-1 (b)(1) and 1.501(c)(3)-1(c)(1). You do not engage primarily in activities that accomplish one or more of the exempt purposes specified in Section 501(c)(3) and Treasury Regulations Section 1.501(c)(3)-1(d).

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 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 may file an action for declaratory judgment under the provisions of IRC Section 7428 in one of the following three venues: 1) United States Tax Court, 2) the United States Court of Federal Claims or 3) the United States District Court for the District of Columbia.

Please contact the clerk of the appropriate court for rules and the appropriate forms for filing an action for declaratory judgment by referring to the enclosed Publication 892, How to Appeal an IRS Determination on Tax-Exempt Status. You may write to the courts at the following addresses:

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

U.S. Court of Federal Claims
717 Madison Place, NW
Washington, DC 20439

U.S. District Court for the District of Columbia
333 Constitution Ave., N.W.
Washington, DC 20001

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).

Information about the IRS Taxpayer Advocate Service

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 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. Contact your local Taxpayer Advocate Office at:

Internal Revenue Service
Taxpayer Advocate Office

Or call TAS at 877-777-4778. For more information about TAS and your rights under the Taxpayer Bill of Rights, go to taxpayeradvocate.irs.gov. Do not send your federal court pleading to the TAS address listed above. Use the applicable federal court address provided earlier in the letter. Contacting TAS does not extend the time to file an action for declaratory judgment.

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 www.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.

Keep the original letter for your records.

Sincerely,



Lynn A. Brinkley
Acting Director, Exempt Organizations Examinations

Enclosures:

Publication 1
Publication 594
Publication 892



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

Date:
July 27, 2021
Taxpayer ID number:

Form:

Tax periods ended:

Person to contact:

Name:
ID number:
Telephone:
Fax:
Address:

CERTIFIED MAIL – Return Receipt Requested

Manager's contact information:

Name:
ID number:
Telephone:
Response due date:

Dear _____ :

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,

 Digitally signed by
Kenneth Bradley
Date: 2021.07.27 11:37:26
-0400
for

Sean E. O'Reilly
Director, Exempt Organizations Examinations

Enclosures:

Form 886-A, Form 4621-A,
Form 6018, Pub 892, Pub 3498

Form 886-A (Rev. 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 _____, continues to qualify for exemption as an organization described in the Internal Revenue Code (IRC) Section 501(c)(3) because of your failure to meet the Operational Test?

FACTS:

_____, was incorporated under the laws of the State of _____ as a non-profit corporation on _____ for the following purposes:

_____ was organized and operated exclusively to further Charitable and Scientific purposes.

On _____, _____ was recognized to be exempt from federal income tax as an organization described in IRC Section 501(c)(3).

On _____, Internal Revenue Service sent _____ Letter 3611 and enclosed Form 4564, Information Document Request (IDR) listing items needed to conduct the examination, _____ did not provide response to the IDR.

On _____ Internal Revenue Service sent _____ Letter 3611 and enclosed Form 4564, IDR listing items needed to conduct the examination and again the Organization did not respond.

On _____, Internal Revenue Service received correspondence from _____ requesting extension due to the global pandemic crisis and lack of resources. Extension was granted per your request to _____.

On _____, Internal Revenue Service sent _____ Delinquency Notice, Letter 5077-B informing the taxpayer if you don't fully respond to the IDR by the due date of _____, we'll propose revocation of your exempt status.

On _____, Internal Revenue Service received correspondence from _____ stating that the organization has dissolved due to lack of resources and activities.

LAW:

IRC § 501 (c)(3) exempts from federal income tax organizations which are organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary, or educational purposes, or to foster national or international amateur sports competition (but only if

Form 886-A (Rev. May 2017)	Department of the Treasury - Internal Revenue Service EXPLANATIONS OF ITEMS	Schedule number or exhibit
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no part of its activities involve the provision of athletic facilities or equipment), or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual, no substantial part of the activities of which is carrying on propaganda, or otherwise attempting, to influence legislation (except as otherwise provided in subsection (h)), and which does not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of (or in opposition to) any candidate for public office.

IRC § 501(c)(3) requires an organization to be both “organized” and “operated” exclusively for one or more IRC § 501(c)(3) purposes. If the organization fails either the organizational test or the operational test, it isn’t exempt. The operational test applies to the organization’s activities and how it furthers exempt purposes.

Tax Reg. § 1. 501(c)(3)-1(d)(i) states that an organization may be exempt as an organization described in Section 501(c)(3) if it is organized and operated exclusively for one or more of the following purposes: religious, charitable, scientific, testing for public safety, literary, educational, or prevention of cruelty to children or animals.

Tax Reg. § 1.501(c)(3)-1(a)(1) of the regulations provides that in order to be exempt as an organization described in Section 501(c)(3) of the Code, the organization must be one that is both organized and operated exclusively for one or more of the purposes specified in that section.

Tax Reg. § 1.501(c)(3)-1(c)(1) of the regulations 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 section 501(c)(3).

Treas. Reg. § 1. 6001-1(e) states that the books or records required by this Section shall be kept at all times available for inspection by authorized Internal Revenue Service officers or employees, and shall be retained as long as the contents thereof may be material in the administration of any Internal Revenue Law.

Revenue Ruling 58-617, 1958-2 CB 260, (Jan. 01, 1958) Rulings and determinations letters granting exemption from federal income tax to an organization described in Section 501(a) of the Internal Revenue Code of 1954, to which contributions are deductible by donors in computing their taxable income in the manner and to the extent provided by section 170 of the Code, are effective only so long as there are no material changes in the character of the organization, the purposes for which it was organized, or its methods of operation. Failure to comply with this requirement may result in serious consequences to the organization for the reason that the ruling or determination letter holding the organization exempt may be revoked retroactively to the date of the changes affecting its exempt status, depending upon the circumstances involved, and subject to the limitations on retroactivity of revocation found in Section 503 of the Code.

Form 886-A (Rev. May 2017)	Department of the Treasury - Internal Revenue Service EXPLANATIONS OF ITEMS	Schedule number or exhibit
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TAXPAYER'S POSITION:

, in their letter to the Service dated _____ stated "
was dissolved due to lack of resources and activities during _____ I
".

GOVERNMENT'S POSITION:

Failure to Meet the Operational Test: _____ has failed to show us that they meet the operational test for a § 501(c)(3) organization for the year under examination. To meet the operational test, they must show that they engage primarily in activities which accomplish one or more of such exempt purposes specified in section § 501(c)(3). An organization won't meet the operational test if more than an insubstantial part of its activities isn't in furtherance of an exempt purpose.

Failure to Provide Records: _____ failed to provide records as is required in Treas. Reg. § 1.6001-1(e). They failed to provide any organizational or financial information that we requested for the examination. We attempted to obtain these records numerous times by both registered/regular mail and phone.

Without the Exempt Organization records, we cannot verify that they are operating according to their exempt purpose. _____ by their own admission in their letter to the Service declared that it has no operational or financial activities. Our position is that the organization will be revoked for failing the operational test, it is not operating for exempt purpose.

CONCLUSION:

As demonstrated in Rev. Rul. 58-617, an organization's exempt status will remain in effect only so long as there are no material changes in the character of the organization, the purposes for which it was organized, or its methods of operation. In the case of _____ the organization states it has dissolved due to lack of resources and activities during _____. _____ did not provide any of the requested items in the Information Document Request (IDR) for the examination. As such, _____ fails to meet the operational requirements to continue its exemption status under IRC § 501(c)(3). Therefore, the effective revocation date will be _____.