

**DEPARTMENT OF THE TREASURY**

**INTERNAL REVENUE SERVICE**

**TE/GE: EO Examination**

**625 Fulton Street, Room 503**

Brooklyn, NY 11201

**TAX EXEMPT AND  
GOVERNMENT ENTITIES  
DIVISION**

Number: **200531025**

Release Date: 8/05/2005

TE:GE:EO

Date: DATE March 1, 2005

UIL: 501.04-00

Legend:

ORG= Name of Organization

NUMBER =EIN Number

DATE 1=Date of Letter

DATE 2=Effective Date

DATE 3=Audit year

EIN # : NUMBER

Person to Contact / ID Number:

Contact Numbers:

Telephone:

Fax

Dear :

Pursuant to our records you were granted exemption from Federal income tax under section 501(c)(4) of the Internal Revenue Code (IRC).

A recent review of your records disclosed that your primary activity is operating, improving and maintaining a golf course for your members. In addition, you are engaged in a business with the general public by regularly holding your golf course open to the public for use upon payment of established green fees.

Section 501(c)(4) of the Internal Revenue Code provides for the exemption from Federal income tax of civic leagues or organizations not organized for profit but operated exclusively for the promotion of social welfare.

Section 1.501(c)(4)-1(a)(2)(i) of the Income Tax Regulations provides that an organization is operated exclusively for the promotion of social welfare if it primarily engages in promoting in some way the common good and general welfare of the people of the community.

The concept of social welfare implies a service or program directed at benefiting the community rather than a private group of individuals.

Since your services and programs are benefiting your members (private group of individuals) rather than the community and the income from the public is inuring to the benefit of your members because it is used for the maintenance and improvement of club facilities, you don't meet the requirements of section 501(c)(4) of the Internal Revenue Code.

Accordingly, your exemption under section 501(c)(4) of the Internal Revenue Code is revoked retroactively to November 1, 2001.

You agreed to the above revocation by signing Form 6018-A.

This is a final adverse determination of your exempt status under section 501(c)(4) of the Internal Revenue Code.

We have determined that you fail to qualify for exempt status under any other subsection of IRC 501(c).

You are required to file Federal income tax returns on Form 1120. These returns should be filed with the appropriate Service Center for all years beginning DATE2. We have secured Form 1120 for years ended DATE3.

You have the right to contact the office of the Taxpayer Advocate. Taxpayer Advocate assistance is not a substitute for established IRS procedures, such as the formal appeals process. The Taxpayer Advocate cannot reverse a legally correct tax determination, or extend the time fixed by law that you have to file a petition in a United States court. The Taxpayer Advocate can, however, see that a tax matter that may not have been resolved through normal channel gets prompt and proper handling. You may call toll-free 1-877-777-4778 and ask for Taxpayer Advocate Assistance. If you prefer, you may contact your local Taxpayer Advocate at:

If you have any questions, please call the contact person at the telephone number shown in the heading of this letter. If you write, please provide a telephone number and the most convenient time to call if we need to contact you.

Thank you for your cooperation.

Sincerely yours,

R. C. Johnson  
Director, EO Examinations