

**Internal Revenue Service
Director, Exempt Organizations**

Department of the Treasury

Number: **200552013**
Release Date: 12/30/05
UIL: 501.03-01

Date: Date 1

**Organization
Address 1**

**Taxpayer Identification Number:
TIN**

Person to Contact/ID Number:

Contact Telephone Number:

Contact Address:

Internal Revenue Service
Attn: TEGE:EO:7994:
433 North Summit St., Room 226
Toledo, OH 43604

**Last Date For Filing A Petition With
The United States Tax Court:**

Date 2

Legend:

TIN =
Organization =
Date 1 =
Date 2 =
Date 3 =
Date 4 =
Address 1 =

Address 2 =

Phone no. 1 =

Certified Mail – Return Receipt Requested

Dear _____ :

This is a final adverse determination that you do not qualify for exemption from income tax under section 501(a) of the Internal Revenue Code (Code) as an organization described in section 501(c)(3) of the Code. Internal Revenue Service recognition of your status as an organization described in section 501(c)(3) of the Code is revoked, effective **January 1, 2001**.

Our adverse determination is made for the following reason(s):

It has not been shown that you are operated exclusively for exempt purposes within the meaning of section 501(c)(3) of the Code, and Treasury Regulation 1.501(c)(3)-1.

Specific facts that contributed to this determination included:

- (1) We requested information and documentation regarding your activities, and your finances to determine if you are operated exclusively for qualifying purposes under section 501(c)(3) of the Code. However, financial records prior to **[Date 3]**, are missing. The missing records are the subject of a criminal investigation.
- (2) The organization is in Chapter 7 bankruptcy and will not resume any charitable operations since its assets are being liquidated to pay creditors.

Treasury Regulation 1.6001-1(e) 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.

Treasury Regulation 1.501(c)(3)-1(a)(1) provides that:

(1) 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 1.501(c)(3)-1(c) *Operational test* provides in part:

(1) *Primary Activities.*—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). An organization will not be so regarded if more than an insubstantial part of its activities is not in furtherance of an exempt purpose.

(2) *Distribution of earnings.*—An organization is not operated exclusively for one or more exempt purposes if its net earnings inure in whole or in part to the benefit of private shareholders or individuals. For the definition of the words “private shareholder or individual”, see paragraph (c) of §1.501(a)-1.

Treasury Regulation 1.501(a)-1(c) provides:

The words “private shareholder or individual” in section 501 refer to persons having a personal and private interest in the activities of the organization.

For periods prior to **[Date 3]**, for which records were missing, you failed to provide information to show that you were operated exclusively for exempt purposes, and otherwise qualify as an organization described in section 501(c)(3) of the Code. Accordingly, we concluded that you no longer qualify as an organization described in Section 501(c)(3) of the Code.

Contributions made to you are no longer deductible as charitable contributions by donors for purposes of computing taxable income for federal income tax purposes. See Revenue Procedure 82-39 1982-2 C.B. 759; for the rules concerning the deduction of contributions made to you between **[Date 1]**, and the date a public announcement, such as publication in the Internal Revenue Bulletin, is made stating that contributions to you are no longer deductible.

You are required to file income tax returns on Forms 1120 for the tax years ended _____, _____, _____, and _____. They should be filed with this office within 30 days of the date of this letter unless a request for an extension of time is granted. Send such returns to the following address:

Internal Revenue Service
TE/GE MC4920DAL
1100 Commerce
Dallas, TX 75242

Income tax returns for subsequent years are to be filed with the appropriate Service Center identified in the instructions for those returns.

The processing of income tax returns and assessment of any taxes due will not be delayed because a petition for declaratory judgment has been filed under section 7428 of the Code.

You did not file a request to appeal the proposed revocation to the Office of Regional Director of Appeals within 30 days of the date of our proposed revocation letter dated **[Date 4]**. Your failure to file an appeal constitutes a failure to exhaust your available administrative remedies for purposes of a declaratory judgment under section 7428 of the Code.

If you decide to contest this determination in court, you must initiate a suit for declaratory judgment in the United States Tax Court, the United States Claims Court or the District Court of the United States for the District of Columbia before the 91st day after the date this determination was mailed to you. Contact the clerk of the appropriate court for rules for initiating suits for declaratory judgment. You may write to the Tax Court at the following address:

United States Tax Court
400 Second Street NW
D.C. 20217

Washington,

The last day for filing a petition for declaratory judgment is [Date 2].

You also have the right to contact the office of the Taxpayer Advocate. However, you should first contact the person whose name and telephone number are shown above, since this person can access your tax information and can help you get answers. You can call 1-877-777-4778 and ask for Taxpayer Advocate assistance, or you can contact the Taxpayer Advocate office located nearest you by calling the number below or by writing to:

Taxpayer Advocate Office
[Address 2]

[Phone no. 1] (Not toll free)

Taxpayer Advocate assistance cannot be used as a substitute for established IRS procedures, formal appeals processes, etc. The Taxpayer Advocate cannot reverse legal or technically correct tax determinations, or extend the time fixed by law that you have to file a petition in the United States Tax Court. The Taxpayer Advocate, can, however, see that a tax matter, that may not have been resolved through normal channels, gets prompt and proper handling.

We will notify the appropriate State officials of this action, as required by section 6104(c) of the Code.

This is a final revocation letter.

If you have any questions, please contact the person whose name and telephone number are shown above.

Sincerely yours,

R. C. Johnson
Director, EO Examinations

Enclosures:
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