

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 and ask for the Taxpayer Advocate assistance or you can contact the Advocate from the site where this issue was determined by writing to:

Taxpayer Advocate assistance cannot be used as substitute for established IRS procedures, formal appeals processes, etc. The Taxpayer Advocate is not able to reverse legal or technically correct tax determination, nor extend the time fixed by law that you have to file a petition in 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.

As a result of this revocation of tax-exempt status, your organization is required to file Form 1120 annually with the appropriate Campus identified in the instructions.

This letter is a final revocation letter and should be kept within your permanent records.

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

Sincerely,

Marsha Ramirez
Director, EO Examinations

Enclosures:
Publication 892

Internal Revenue Service

Department of the Treasury
4330 Watt Ave SA6209 EO/MV
Sacramento, CA 95821

Date: June 19, 2007

ORG
ADDRESS

Taxpayer Identification Number:

Form:

Tax Year(s) Ended:

Person to Contact/ID Number:

Contact Numbers:

Telephone:

Fax:

Certified Mail - Return Receipt Requested

Dear ,

We have enclosed a copy of our report of examination explaining why we believe revocation of your exempt status under section 501(c)(3) of the Internal Revenue Code (Code) is necessary.

If you accept our findings, take no further action. We will issue a final revocation letter.

If you do not agree with our proposed revocation, you must submit to us a written request for Appeals Office consideration within 30 days from the date of this letter to protest our decision. Your protest should include a statement of the facts, the applicable law, and arguments in support of your position.

An Appeals officer will review your case. The Appeals office is independent of the Director, EO Examinations. The Appeals Office resolves most disputes informally and promptly. The enclosed Publication 3498, *The Examination Process*, and Publication 892, *Exempt Organizations Appeal Procedures for Unagreed Issues*, explain how to appeal an Internal Revenue Service (IRS) decision. Publication 3498 also includes information on your rights as a taxpayer and the IRS collection process.

You may also request that we refer this matter for technical advice as explained in Publication 892. If we issue a determination letter to you based on technical advice, no further administrative appeal is available to you within the IRS regarding the issue that was the subject of the technical advice.

If we do not hear from you within 30 days from the date of this letter, we will process your case based on the recommendations shown in the report of examination. If you do not protest this proposed determination within 30 days from the date of this letter, the IRS will consider it to be a failure to exhaust your available administrative remedies. Section 7428(b)(2) of the Code provides, in part: "A declaratory judgment or decree under this section shall not be issued in any proceeding unless the Tax Court, the Claims Court, or the District Court of the United States for the District of Columbia determines that the organization involved has exhausted its administrative remedies within the Internal Revenue Service." We will then issue a final revocation letter. We will also notify the appropriate state officials of the revocation in accordance with section 6104(c) of the Code.

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 channels 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,

Marsha A. Ramirez
Director, EO Examinations

Enclosures:
Publication 892
Publication 3498
Report of Examination

Form 886-A	Department of the Treasury - Internal Revenue Service Explanation of Items	Schedule No. or Exhibit 1 of 3
Name of Taxpayer ORG	Tax identification number	Year/Period Ended 20XX06

LEGEND

ORG = Organization name XX = Date XYZ = State Founder = Founder

Issue:

Should the tax-exempt status of ORG, be revoked for failure to operate for charitable and/or educational purposes as set forth in Internal Revenue Code Section 501(c)(3)?

Facts:

Founder is the Founder/Executive director and founder of ORG.

ORG was incorporated on December 10, 19XX. It's stated specific purpose was to promote awareness of cancer in a greater scope than ever before. To support all families facing new diagnosis as well as living with the effects of cancer.

On June 28, 20XX Founder informed me that the organization had ceased operation in 20XX, she stated that a grant that they were counting on did not come through. The organization did not have the funds to continue operations. She told me that there were no corporate assets left to distribute. Since this conversation I have not been able to reach or locate Founder.

On 12/10/20XX Founder filed for bankruptcy under Ch 13.

According to the XYZ Secretary of States website under business filings, the org's corporate status was revoked on 1/1/20XX.

No books or records were maintained, or provided to the IRS, with regards to org's operations.

Law:

Internal Revenue Code section 501(c)(3) includes corporations, and any community chest, fund, or foundation, 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 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.

Form 886-A	Department of the Treasury - Internal Revenue Service Explanation of Items	Schedule No. or Exhibit 2 of 3
Name of Taxpayer ORG	Tax identification number	Year/Period Ended 20XX06

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Regulations section 1.501(c)(3)-1(c)(1) states 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). An organization will not be so regarded if more than an insubstantial part of its activities is not in furtherance of an exempt purpose.

Regulations section 1.6033-2(i)(2) states that every organization which is exempt from tax, whether or not it is required to file an annual information return, shall submit such additional information as may be required by the Internal Revenue Service **for the purpose of inquiring into its exempt status** and administering the provisions of subchapter F (section 501 and following), chapter 1 of subtitle A of the Code, section 6033, and chapter 42 of subtitle D of the Code.

Government's Position:

In order to qualify for and maintain exemption from income tax per Internal Revenue Code section 501(c)(3), it must be demonstrated that the organization is operated for any of the exempt purposes set forth in the aforementioned section. As documented in the "facts" section of this report, the Organization could not provide any of the books and records as requested by the Internal Revenue Service. Thus, an audit of the organization's records could not be conducted by the agent. In addition, the Executive Director could not discuss/explain any of the activities that the Organization may have conducted. As a result, the organization failed to demonstrate to the Secretary that it is operated for any if the exempt purposes as described in Internal Revenue Code section 501(c)(3).

Since ORG has ceased operations as an organization, they cannot be located and they are listed by the State of XYZ as being revoked they no longer qualify as an organization described under IRC 501 (c)(3).

Per Regulations section 1.6033-2(i)(2), in order to demonstrate that an organization should be exempt from taxation, adequate and proper records must be maintained and provided to the Internal Revenue Service . The organization failed to provide a means to be contacted and thus, failed to make available to the Service, the records necessary to demonstrate that it operates for the furtherance of some exempt activity as set forth in section 501(c)(3) of the Internal Revenue Code.

Per Internal Revenue Code section 501(c)(3), to qualify as an organization described in the aforementioned code section, the entity must be a "corporation, community chest, fund, or foundation". Since the corporate status of ORG has been revoked by the State

Form 886-A	Department of the Treasury - Internal Revenue Service Explanation of Items	Schedule No. or Exhibit 3 of 3
Name of Taxpayer ORG	Tax identification number	Year/Period Ended 20XX06

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XYZ, the entity does meet the basic requirements of IRC section 501(c)(3) as it is not a corporation, community chest, fund, or foundation.

Taxpayer's Position:

The organization could not be reached for their position.

Conclusion:

The tax-exempt status of ORG under Internal Revenue Code section 501(c) (3) must be revoked effective January 1, 20XX. Thus, contributions to. ORG are no longer tax deductible. When the revocation becomes final, appropriate State officials will be notified of such action in accordance with IRC section 6104(c). A closing conference was not offered, as the organization can not be located.