



DEPARTMENT OF THE TREASURY

INTERNAL REVENUE SERVICE

TE/GE: EO Examination

625 Fulton Street 5th Floor

Brooklyn, NY 11201

TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

Number: **200909068**

Release Date: 2/27/2009

06/26/08

LEGEND

ORG = Organization name

UIL: 501.03-01

XX = Date Address = address

ORG
ADDRESS

Taxpayer Identification Number:
Person to Contact:
Identification Number
Contact Telephone Number:

LAST DATE FOR FILING A PLEADING WITH THE TAX COURT, THE CLAIMS
COURT, OR THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF
COLUMBIA: 09/24/XX

Dear

This is a final determination regarding your exempt status under section 501(c)(3) of the Internal Revenue Code (IRC). Recognition of your exemption from Federal income tax as an organization described in Internal Revenue Code section 501(c)(3) is retroactively revoked to January 1, 20XX because it is determined that you have not established that you are observing the conditions required for the continuation of an exempt status.

IRC 501(c)(3) exempts from taxation organizations which are organized and operated exclusively for charitable or educational purposes, no part of the net earnings of which inure 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 and which do not participate in, or intervene in, any political campaign on behalf of (or in opposition to) any candidate for public office.

IRC 6033 provides that every organization, except as provided therein, exempt from taxation under section 501(a) of the Code shall file an annual return, stating specifically the items of gross income, receipts, and disbursements, and shall keep such records, render under oath such statements, make such other returns and comply with such rules and regulations as the Secretary of the Treasury or his delegate may from time to time prescribe.

Revenue Ruling 59-95, 1959-1 CB 627 held that failure or inability to file the required information return or otherwise to comply with the provision of section 6033 of the Code

and the regulations which implement it, may result in the termination of the exempt status of an organization previously held exempt, on the grounds that the organization has not established that it is observing the conditions required for the continuation of an exempt status.

In accordance with IRC 6033 and Revenue Ruling 59-95, we have determined that the organization has not established that it is observing the conditions required for continuation of exempt status.

We are revoking your exemption from Federal income tax as an organization described in section 501(c)(3) of the Internal Revenue Code effective January 1, 20XX.

Contributions to your organization are no longer deductible under section 170 of the Internal Revenue Code. 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 January 1, 20XX.

Processing of income tax returns and assessment of any taxes due will not be delayed should a petition for declaratory judgment be filed under section 7428 of the Internal Revenue Code.

If you decide to contest this determination in court, you must file a pleading seeking a declaratory judgment in the United States Tax Court, the United States Court of Federal Claims, or the United States District Court for the District of Columbia before the 91st day after the date this final determination was mailed to you. Please contact the clerk of the appropriate court for rules regarding filing pleadings for declaratory judgments and refer to the enclosed Publication 892. You may write to these courts at the following addresses:

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 too-free and ask for Taxpayer Advocate Assistance. If you prefer, you may contact your local Taxpayer advocate at:

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

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely Yours,
Marsha A. Ramirez
Director, EO Examinations

Enclosure:
Publication 892



DEPARTMENT OF THE TREASURY

INTERNAL REVENUE SERVICE

625 Fulton Street 5th Floor
Brooklyn, New York 11201

**TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION**

June 23, 2008

LEGEND

ORG = Organization name XX = Date Address = address

**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 is necessary.

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

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 get prompt and proper handling. You may call toll-free and ask for Taxpayer Advocate Assistance. If you prefer, you may contact your local 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 3498
Report of Examination

Form 886A	Department of the Treasury - Internal Revenue Service Explanation of Items	Schedule No. or Exhibit
Name of Taxpayer ORG EIN		Year/Period Ended 12/31/20XX 12/31/20XX

LEGEND

ORG = Organization name XX = Date Director = director

ISSUE:

Should ORG (a.k.a ORG, a.k.a. ORG) maintain its exempt status under IRC Section 501(c)(3) after failing to provide books and records for the calendar years referenced above?

FACTS:

We selected the organization's 990 return for examination to determine whether it was operating in an exempt manner and continues to qualify as a public charity under IRC Section 501(c)(3). We issued an appointment letter by certified mail on March 22, 20XX, to the organization's last known address, requesting that it provide books and records necessary to conduct an examination of the Form 990 for the periods above referenced. The organization's Director, acknowledged receipt of this initial request but did not reply. On April 5, 20XX, follow-up letters were sent by certified mail. One letter was mailed to Director's residence and was returned unclaimed. The second mailing was sent to the organization's address and was received. After receiving no response, we again followed up with additional certified mailings to both the organization's address and to Director's residence on May 9, 20XX. The letter to your organization's address was acknowledged and the letter to Director's residence again went unclaimed. In our letter dated May 9, 20XX, we scheduled an audit appointment to take place in our office on May 24, 20XX. In response to this letter, we received a phone call from Director on May 11, 20XX, confirming receipt of this letter. At that time Director stated that he would call back on May 15, 20XX, to confirm or change this appointment date. He also provided a new telephone number where he could be contacted. Director failed to telephone our office on May 15 and numerous attempts to contact him at the telephone number provided were unsuccessful. On the scheduled appointment date, Director did not arrive nor did he telephone our office. We followed up with several attempts to contact Director by phone but were unsuccessful. On March 11, 20XX, summonses were hand delivered to Director ordering that he produce books and records on March 28, 20XX. As of this date, Director has failed to comply with the summonses.

LAW:

Section 1.6033-2(i)(2) of the Income Tax Regulations provides, in part, that every organization which is exempt from tax shall submit such additional information as may be required by the Internal Revenue Service for the purpose of inquiring into its exempt status.

Treasury Regulation 1.6001-1(e) states in part that the books and records shall be kept at all times available for inspection by authorized internal revenue officers or employees, and shall be retained as long as the contents thereof may become material in the administration of internal revenue law.

IRC Section 501(c)(3) exempts from Federal income tax: corporations, and any community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific,

Form 886A	Department of the Treasury - Internal Revenue Service Explanation of Items	Schedule No. or Exhibit
Name of Taxpayer ORG EIN		Year/Period Ended 12/31/20XX 12/31/20XX

literary, or educational purposes, 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, and which does not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of any candidate for public office.

IRC Section 501(c)(3) requires an organization to be both "organized" and "operated" exclusively for one or more IRC Section 501(c)(3) purposes. If the organization fails either the organizational test or the operational test, it is not exempt. Reg. 1.501(c)(3)-1(a)(1).

Section 1.501(c)(3)-1(d)(1)(ii) of the Internal Tax Regulations provides that to meet the operational test, an organization must be engaged in activities furthering "public" purposes rather than private interests.

Reg. 1.501(c)(3)-1(c)(1) provide that an organization is operated exclusively for charitable purposes only if it engages primarily in activities that accomplish public purposes. It is not so operated if more than an insubstantial part of its activities do not further those purposes.

GOVERNMENT'S POSITION:

The purpose of our examination was to determine whether the organization continues to qualify for exemption from federal income tax as an organization described under section 501(c)(3) of the Internal Revenue Code (IRC). As of this date, the organization has failed to comply with Federal Tax Regulation Section 1.6033-2(i)(2) and Treasury Regulation 1.6001-1(e) by failing to cooperate with our attempts to schedule an appointment and provide the necessary books and records in order to conduct an examination. Accordingly, we propose to revoke to your exemption under IRC Section 501(c)(3), effective as of January 1, 20XX.

CONCLUSION:

Since your organization has not provided the requested information, we have determined that you are not described in section under IRC 501(c)(3). As a taxable entity, you will be required to file the appropriate Federal income tax return. An income tax assessment for the period ending December 31, 20XX, will be mailed to you under separate cover.