



DEPARTMENT OF THE TREASURY

Internal Revenue Service
TE/GE EO Examinations
1100 Commerce Street
Dallas, TX 75424

501.03-00

**TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION**

Date: August 19, 2010

Release Number: 201049045

Release Date: 12/10/10

Address = address

Legend

ORG = Organization name xx = Date

Person to Contact:

ORG

Identification Number:

ADDRESS

Contact Telephone Number:

In Reply Refer to: TE/GE Review Staff

EIN:

CERTIFIED MAIL – Return Receipt Requested

Dear

This is a Final Adverse Determination Letter as to your exempt status under section 501(c)(3) of the Internal Revenue Code. Your exemption from Federal income tax under section 501(c)(3) of the code is hereby revoked effective January 1, 20XX.

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

Organizations described in I.R.C. § 501(c)(3) and exempt under section 501(a) must be both organized and operated exclusively for exempt purposes. You have failed to produce documents or otherwise establish that you are operated exclusively for exempt purposes and that no part of your net earnings inures to the benefit of private shareholders or individuals. You failed to respond to repeated reasonable requests to allow the Internal Revenue Service to examine your records regarding your receipts, expenditures, or activities as required by I.R.C. § 6001, 6033(a)(1) and Rev. Rul. 59-95, 1959-1 C.B. 627.

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 the year ending December 31, 20XX and for all years thereafter.

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 initiate a suit for declaratory judgment in the United States Tax Court, the United States Claim 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 the rules for initiating suits for declaratory judgment.

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 from the site where the tax deficiency was determined by calling, 510-637-2070, or write:

Taxpayer Advocate assistance cannot be used as a substitute for established IRS procedures, formal appeals processes, etc. The Taxpayer Advocate is not able to reverse legal or technically correct tax determinations, nor 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 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,

Douglas H. Shulman
Commissioner
By

Nanette M. Downing
Director, EO Examinations

Enclosures:

Publication 892
Publication 1546
Notice 437

cc:

Internal Revenue Service

Department of the Treasury
TE/GE Division
Mail Stop SF 7-4-01
450 Golden Gate Avenue
San Francisco, California 94102-3412

Date: November 18, 2009

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, please sign and return the enclosed Form 6018. 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,

Sunita B. Lough
Director, EO Examinations

Enclosures:
Publication 892
Publication 3498
Report of Examination

LEGEND

ORG = Organization name XX = Date City = city State = state CO-1 = 1st
Company

Issue:

Is the ORG: "A Church Integrated Auxiliary" an organization exempt from tax under section 501(c)(3) of the Internal Revenue Code?

Facts:

The ORG: "A Church Integrated Auxiliary" (the organization) received a letter from the Internal Revenue Service dated March 11, 20XX, recognizing it as an organization exempt from tax under section 501(c)(3) of the Internal Revenue code. During the process of applying for the determination, the organization submitted documents indicating that it was not a church or an integrated auxiliary of a church.

The organization filed a form 990 for the year ending December 31, 20XX on June 14, 20XX. It filed form 990 for the year ending December 31 20XX on April 13 20XX. It filed a return for the year ending December 31, 20XX on May 9, 20XX.

None of these returns contained any financial information about the organization. Various lines on the returns had entries such as "\$ZERO", "\$gogiliad" "NA" "GOGLEPLEXIAN" "Gogalplexian Index" and "Gogiliad Index"

For the year 20XX the organization described its program service accomplishments as:

- a. "40-65 persons homeless in City with temporary transitional free shelter in motor vehicles. Agreed to follow rote academic solution to cause of the chronic hard time they are experiencing accessing the essential health and hygiene services model program for numerous like set-ups worldwide; as ours."
- b. "Remittance of conflict resolution communications skills curriculae within international work areas. 000 United Nations Plaza free mobil soup kitchen program affiliation. U.N. homeless committee. World Affairs Council of Northern State. CO-1 (City, State). Within context of newly met civilization diplomacy instatement w/ financing included international."
- c. "Volunteer Employment arrangement workable For all design anonymous enrollment + international range programization produces estimate of apx 20,000 participants"
- d. "Low volume community wide detox educational with leadership remittance broadcast. AIDS HIV epidemic recovery leadership remittance broadcast (two way) w/ international range approach"

The expenses for these programs were listed a zero or N/A.

The Internal Revenue Service sent a letter to the organization dated September 8, 20XX, asking for a description of its activities and copies of financial records showing its total receipts for the year ending December 31, 20XX. No response was received. The service sent a second letter dated October 13, 20XX repeating the request for information. No response was received to this request.

Law:

Section 501(c)(3) of the Internal Revenue Code provides for exemption from tax for "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.”

Section 6033 of the Internal Revenue Code provides that “every organization exempt from taxation under section 501(a) shall file an annual return, stating specifically the items of gross income, receipts, and disbursements, and such other information for the purpose of carrying out the internal revenue laws as the Secretary may by forms or regulations prescribe,....”

Section 1.6033-2(a)(1) of the Income Tax Regulations provides that “Except as provided in section 6033(a)(2) and paragraph (g) of this section, every organization exempt from taxation under section 501(a) shall file an annual information return specifically setting forth its items of gross income, gross receipts and disbursements, and such other information as may be prescribed in the instructions issued with respect to the return.”

Section 1.6033-2(i)(2) of the Income Tax Regulations provides 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. See section 6001 and §1.6001-1 with respect to the authority of the district directors or directors of service centers to require such additional information and with respect to the books of accounts or records to be kept by such organizations.”

Revenue Ruling 59-95, 1959-1 CB 627, provides 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.”

Government’s Position.

The organization has submitted three annual returns which do not contain any information about its finances or activities. When contacted with a request for information about its 20XX year, it did not respond. Because it is unwilling or unable to establish that it is observing the conditions required for continuation of exemption, the exempt status of the organization should be revoked.

Taxpayer’s Position:

The taxpayer had not responded to any request for information or submitted its position.

Conclusion:

Exemption from tax under section 501(c)(3) of the Internal Revenue Code is revoked for The ORG: “A Church Integrated Auxiliary” as of January 1, 20XX. The organization is required to file forms 1120 for 20XX and subsequent years.