



TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

DEPARTMENT OF THE TREASURY

INTERNAL REVENUE SERVICE

TE/GE: EO Examination

1100 Commerce Street

Dallas, Texas 75242

501.03-00

Date: October 20, 2010

Number: 201102066

Release Date: 1/14/2011

LEGEND

ORG = Organization name XX = Date Address = address

ORG
ADDRESS

Employer Identification Number:

Person to Contact/ID Number:

Contact Numbers:

Voice:

Fax:

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Dear :

In a determination letter dated October 19XX, you were held to be exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code (the Code).

Based on recent information received, we have determined you have not operated in accordance with the provisions of section 501(c)(3) of the Code. Accordingly, your exemption from Federal income tax is revoked effective January 1, 20XX. This is a final adverse determination letter with regard to your status under section 501(c)(3) of the Code.

We previously provided you a report of examination explaining why we believe revocation of your exempt status is necessary. At that time, we informed you of your right to contact the Taxpayer Advocate, as well as your appeal rights.

Our adverse determination was made for the following reasons:

Internal Revenue Code Section 6001 requires organizations exempt from tax to keep such records and render such statements as are required by such rules and regulations as the Secretary may prescribe. Treasury Regulations section 1.6033-2 (h)(2) requires organizations exempt from tax to submit such additional information as may be required by the

Internal Revenue Service for the purpose of inquiring into the organization's exempt status.

You failed to meet the records keeping and reporting requirements under IRC 6001 and 6033.

You no longer meet the requirements of IRC section 501(c)(3) and Treas. Reg. section 1.501 (c)(3) -1(d) in that you failed to establish that you were operated exclusively for an exempt purpose.

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. Those returns should be filed with the appropriate Service Center.

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 of 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:

You also have the right to contact the office of the Taxpayer Advocate. You can call 1-877-777-4778 and ask for Taxpayer Advocate assistance. If you prefer, you may contact your local Taxpayer Advocate at:

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 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 Internal Revenue Code.

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

Thank you for your cooperation.

Sincerely yours,

Nanette M. Downing
Director, EO Examinations



TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

DEPARTMENT OF THE TREASURY
Internal Revenue Service
SE:T:EO:E:MA7927
1100 Commerce Street, Mail Stop 4920 DAL
Dallas, TX 75242

May 11, 2010

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.

Letter 3618 (04-2002)
Catalog Number 34809F

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,

Nanette M. Downing
Acting Director, EO Examinations

Enclosures:
Publication 892
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 20XX12

ORG = Organization 20XX = Date Address = Address City = City
State = State IN = Employer ID Number President = President Vice
President = President Location = Location # = Phone RA1 =
Related Associate

Issue:

Does the ORG (ORG), EIN, continue to qualify for exemption under Section 501(c)(3) of Code even though it has not provided the requested records as required by Section 1.6033-1(h)(2) of the Regulations?

Facts:

ORG was incorporated in the state of State on June 12, 19XX. The purpose of the entity per the Articles of Incorporation is as follows: The mission of The ORG is to preserve and represent the culture, heritage and religious beliefs of the Native American people of the Location.

On September 6, 19XX, the State of State canceled ORG's Articles of Incorporation due to their failure to file a statement of continued existence. (See Exhibit B)

On July 31, 20XX, the examination of ORG was initiated by the Revenue Agent (RA) to determine if the organization was operating for exempt purposes under Section 501(c)(3) of the Code. The first attempt to make contact with the organization was through a phone call to the phone number listed on the last 990 on file, which is for calendar year December 31, 20XX. The number (#) is no longer valid for the organization. Also on this date, Revenue Agent sent Letter 3611, an Information Document Request (IDR) and Publication 1, via certified mail to address: Address, City, State.

Per USPS.Gov, the certified letter (Tracking Number: # was sent "return to sender" on August 25, 20XX due to it being unclaimed.

On August 19, 20XX, Revenue Agent mailed Letter 3611, Information Document Request and Publication 1, via certified mail to the home address of the President, President, listed as: Address, City, State.

Per USPS.Gov, the certified letter (Tracking Number: # was forwarded to City, State on August 29, 20XX. On September 8, 20XX, the letter was delivered and signed for by RA1. The address of receipt is: Address, City, State.

On 9/22/XX RA called the vice president, Vice President. Vice President stated that the he is an officer and the Organization is still in operation. He did not know why the organization has not responded to the two letters previously sent by the RA. Letter

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Name of Taxpayer ORG EIN		Year/Period Ended 20XX12

3611, IDR and Pub 1 was mailed to Vice President to the address of Address, City, State. The appointment was tentatively set for 10/19/XX.

On 10/16/XX, RA called Vice President, advised him the appointment letter was sent but he never signed for it. He stated he was unaware that the letter was sent to him. He advised to call his brother, President, he gave President's cell number. RA called the Organization's President, President. He stated that he did receive the appointment letter on 9/8/XX and would try and accumulate as much of the information identified on the IDR. RA stated he will call later next week to set up an appointment.

On 10/23/XX, RA called and left a message for President to call back so that the appointment can be set up.

As of 10/30/XX, there was no response from the President President or the VP, Vice President. Once again called and left a message with President to set up the appointment. President called back and stated he will meet with his bank next week and secure bank records for 20XX. It was agreed that President would call the RA the following Wednesday to follow up.

Due to no response, RA called and left a message with President on 11/5/XX.

On 11/18/XX RA called President. President advised that bank statements and canceled checks were requested and should be provided to him by 11/20. RA advised him to mail this information and all other requested items listed on the IDR by early next week. He advised he will call back on 11/23/XX to give an update.

On 11/24/XX and 12/2/XX, RA called President on his cell phone and left a message. No response was received from either of these messages.

On March 1, 20XX another letter was sent to ORG with an Information Document Request. The letter stated that "Failure to comply with our request for information could result in the loss of your tax exempt status." No response from ORG was received.

Law:

Section 501(a) of the Code state that organizations described in subsection 501(c) shall be exempt from federal income tax.

Section 501(c)(3) of the Code describes 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

Form 886A	Department of the Treasury - Internal Revenue Service Explanation of Items	Schedule No. or Exhibit
Name of Taxpayer ORG EIN		Year/Period Ended 20XX12

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(a)(1) of the code describes, except as provided in IRC § 6033(a)(2), every organization exempt from tax 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 purposes of carrying out the internal revenue laws as the Secretary may by forms or regulations prescribe, and keep such records, render under oath such statements, make such other returns, and comply with such rules and regulations as the Secretary may from time to time prescribe.

Section 1.6033-1(h)(2) of the Regulations 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.

Rev. Rul. 59-95, 1959-1 C.B. 627, concerns an exempt organization that was requested to produce a financial statement and statement of its operations for a certain year. However, its records were so incomplete that the organization was unable to furnish such statements. The Service held that the failure or inability to file the required information return or otherwise to comply with the provisions 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 exempt status.

Taxpayer's Position:

At the issuance of this letter the taxpayer's position is not known. It is requested of the organization that they provide the requested records in order to verify that the organization is in compliance with Section 501(c)(3) of the Code.

Government's Position:

Under Section 1.6033-2(i)(2) of the Regulations, every organization exempt from tax, whether or not it is required to file an annual information return, shall submit

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additional information as may be required by the Internal Revenue Service for the purpose of inquiring into its exempt status. During the examination, several requests for information were made, but you failed to supply the requested information. The organization has clearly failed to provide the requested information despite adequate notice as required by Section 1.6033-2(i)(2) of the Regulations.

Revenue Ruling 59-95 states if an exempt organization fails to comply with the requirements of Section 6033 of the Code and its corresponding Regulations, the organization will no longer qualify for exempt status. As described in the previous paragraph, your organization has not complied with Section 1.6033-2(i)(2) of the Regulations since no reply to information document requests have been received. Per Revenue Ruling 59-95, you do not qualify for exempt status under Section 501(c)(3) of the Code since your organization has failed to provide the required information as prescribed by Regulations of Section 6033 of the Code.

Conclusion:

You have failed to provide the required information to our requests concerning your organizations exempt status per Section 6033 of the Code. As described in Revenue Ruling 59-95, you do not qualify for exempt status under Section 501(c)(3) of the Code because of your failure to comply with the Regulations under Section 6033 of the Code. Accordingly, the organization's exempt status is revoked effective January 1, 20XX. Form 1120 returns should be filed for the tax periods ending on or after December 31, 20XX. Contributions to your organization are no longer tax deductible. Your organization's assets must be dissolved as described in your Articles of Incorporation.