



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
1100 Commerce Street, MC 4920DAL
Dallas, TX 75242

TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

Release Number: **201944013**
Release Date: 11/1/2019
Date: June 5, 2019
UIL Code: 501.03-00

EIN:
Person to Contact:
Identification Number:
Telephone Number:
Fax:

CERTIFIED MAIL – Return Receipt Requested
LAST DAY FOR FILING A PETITION WITH THE TAX COURT:
September 3, 2019

Dear :

This is a final determination that you do not qualify for exemption from Federal income tax under Internal Revenue Code (the "Code") section 501(a) as an organization described in Code section 501(c)(3), effective January 1, 20XX. Your determination letter dated October, 20XX is revoked.

Our adverse determination as to your exempt status was made for the following reasons:

You did not respond to our requests for information about your finances and activities necessary to complete the examination. You have not demonstrated that you are organized and operated exclusively for exempt purposes within the meaning of Internal Revenue Code section 501(c)(3).

As such, you failed to meet the requirements of I.R.C. § 501(c)(3) and Treasury Regulation §1.501(c)(3)-1(a), in that you have not established that you were organized and operated exclusively for exempt purposes and that no part of your earnings inured to the benefit of private shareholders or individuals.

Contributions to your organization are no longer deductible under section 170 of the Internal Revenue Code.

Organizations that are not exempt under section 501 generally are required to file federal income tax returns and pay tax, where applicable. For further instructions, forms, and information please visit www.irs.gov.

If you decide to contest this determination, you may file an action for declaratory judgment under the provisions of section 7428 of the Code in one of the following three venues: 1) United States Tax Court, 2) the United States Court of Federal Claims, or 3) the United States District Court for the District of Columbia. A petition or complaint in one of these three courts must be filed within 90 days from the date this determination was mailed to you. Please contact the clerk of the appropriate court for rules and the appropriate forms for filing petitions for declaratory judgment. Refer to the enclosed Publication 892 for additional information. You may write to the courts at the following addresses:

United States Tax Court
400 Second Street, NW
Washington, DC 20217

US Court of Federal Claims
717 Madison Place, NW
Washington, DC 20005

U. S. District Court for the District of Columbia
333 Constitution Ave., N.W.
Washington, DC 20001

Processing of income tax returns and assessments of any taxes due will not be delayed if you file a petition for declaratory judgment under section 7428 of the Internal Revenue Code.

You may be eligible for help from the Taxpayer Advocate Service (TAS). TAS is an independent organization within the IRS that can help protect your taxpayer rights. TAS can offer you help if your tax problem is causing a hardship, or you've tried but haven't been able to resolve your problem with the IRS. If you qualify for TAS assistance, which is always free, TAS will do everything possible to help you. Visit www.taxpayeradvocate.irs.gov or call 1-877-777-4778.

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

Sincerely yours,

Maria Hooke

Enclosures:
Publication 892

Maria Hooke
Director, EO Examinations



**Department of the Treasury
Internal Revenue Service
Tax Exempt and Government Entities
Exempt Organizations Examinations**

Date: October 16, 2018

Taxpayer Identification Number:

Form:

990-N

Tax Year(s) Ended:

December 31, 20XX

Person to Contact:

Employee ID:

Telephone:

Fax:

Acting Manager's Contact
Information:

Employee ID:

Telephone:

Response Due Date:

30 days from the above date

CERTIFIED MAIL – Return Receipt Requested

Dear :

Why you're receiving this letter

We enclosed a copy of our audit report, Form 886-A, Explanation of Items, explaining that we propose to revoke your tax-exempt status as an organization described in Internal Revenue Code (IRC) Section 501 (C) (3).

If you agree

If you haven't already, please sign the enclosed Form 6018, Consent to Proposed Action, and return it to the contact person shown at the top of this letter. We'll issue a final adverse letter determining that you aren't an organization described in IRC Section 501 (C) (3) for the periods above.

After we issue the final adverse determination letter, we'll announce that your organization is no longer eligible to receive tax deductible contributions under IRC Section 170.

If you disagree

1. Request a meeting or telephone conference with the manager shown at the top of this letter.
2. Send any information you want us to consider.
3. File a protest with the IRS Appeals Office. If you request a meeting with the manager or send additional information as stated in 1 and 2, above, you'll still be able to file a protest with IRS Appeals Office after the meeting or after we consider the information.

The IRS Appeals Office is independent of the Exempt Organizations division and resolves most disputes informally. If you file a protest, the auditing agent may ask you to sign a consent to extend the period of limitations for assessing tax. This is to allow the IRS Appeals Office enough time to consider your case. For your protest to be valid, it

must contain certain specific information, including a statement of the facts, applicable law, and arguments in support of your position. For specific information needed for a valid protest, refer to Publication 892, How to Appeal an IRS Determination on Tax-Exempt Status.

Fast Track Mediation (FTM) referred to in Publication 3498, The Examination Process, generally doesn't apply now that we've issued this letter.

4. Request technical advice from the Office of Associate Chief Counsel (Tax Exempt Government Entities) if you feel the issue hasn't been addressed in published precedent or has been treated inconsistently by the IRS.

If you're considering requesting technical advice, contact the person shown at the top of this letter. If you disagree with the technical advice decision, you will be able to appeal to the IRS Appeals Office, as explained above. A decision made in a technical advice memorandum, however, generally is final and binding on Appeals.

If we don't hear from you

If you don't respond to this proposal within 30 calendar days from the date of this letter, we'll issue a final adverse determination letter.

Contacting the Taxpayer Advocate Office is a taxpayer right

The Taxpayer Advocate Service (TAS) is an independent organization within the IRS that can help protect your taxpayer rights. TAS can offer you help if your tax problem is causing a hardship, or you've tried but haven't been able to resolve your problem with the IRS. If you qualify for TAS assistance, which is always free, TAS will do everything possible to help you. Visit www.taxpayeradvocate.irs.gov or call 877-777-4778.

For additional information

You can get any of the forms and publications mentioned in this letter by visiting our website at www.irs.gov/forms-pubs or by calling 800-TAX-FORM (800-829-3676).

If you have questions, you can contact the person shown at the top of this letter.

Sincerely,



Michelle Henson FOR
Maria Hooke
Director, Exempt Organizations
Examinations

Enclosures:
Form 886-A
Form 6018

Form 886-A (May 2017)	Department of the Treasury – Internal Revenue Service Explanations of Items	Schedule number or exhibit
Name of taxpayer	Tax Identification Number (last 4 digits)	Year/Period ended 12/31/20XX

ISSUE:

Should the tax-exempt status of _____ organization be revoked for knowingly failing to provide information necessary for the Internal Revenue Service to confirm the organization's tax-exempt status?

FACTS:

_____ organization is incorporated in _____, _____. They are incorporated under a Nonprofit Public Benefit Corporation. There was no Group exemption number issued to the exempt organization. The organization was Incorporated by the State of _____ on December 2, 20XX. There is no record filed of a dissolution or termination of the organization on file with the state of _____. The exempt organization (EO) is current with the State of _____ Incorporation filing requirements.

The first attempt to contact the organization was made on December 28, 20XX using letter 3606. An information document request was included in the package mailed to the organization as well as a Publication 1. The agent did not receive a response to this letter.

On February 2, 20XX agent reviewed the organization information per internet research and obtained the organizations contact information. The agent called the organization and spoke with the CEO (______). The CEO stated that he did not receive the 1st initial contact letter and information request. The Revenue Agent (RA) explained the examination process and what information was required to complete the examination. The RA provided his contact information and mailing address to the CEO, and the CEO stated that he would forward the information within 2 weeks. The RA mailed the 2nd Initial Contact Information, which consisted of the 3606 Letter, Information Document Request and Publication 1.

On April 10, 20XX the agent telephoned the CEO to confirm receipt of the 2nd letter that was mailed on February 2, 20XX. The CEO confirmed receipt of the Initial Contact Information. However, the official did not believe the agent represented the IRS and refused to send the requested information. The RA explained that if he didn't comply with the letter and send the requested information that the exempt status of the organization would be in jeopardy and can be revoked. The CEO still refused to adhere to the information request. The RA mailed a 3rd letter via certified mail, which included letter 3606, Information Document Request and Publication 1.

On June 5, 20XX the agent received the returned certified Letter that was mailed to the organization's official. The official did not sign for the certified Letter.

After receiving approval to conduct a field examination on October 2, 20XX, the RA telephoned the organization's official on October 11, 20XX to inform him that an onsite examination of his

Form 886-A (May 2017)	Department of the Treasury – Internal Revenue Service Explanations of Items	Schedule number or exhibit
Name of taxpayer	Tax Identification Number <i>(last 4 digits)</i>	Year/Period ended 12/31/20XX

records will be conducted at his location. Due to the lack of cooperation from the organization's official to schedule a face to face examination, and the inability for the RA to verify the organization's exempt purpose, the RA is proposing revocation.

LAW:

Section 501 (c) (3) of the Internal Revenue Code exempts from Federal income tax corporations and any community chest, fund, or organization, 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, in part, 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, and shall 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 1.6033-2(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 purposes of inquiring into its exempt status.

Revenue Ruling 59-95, 1959-1 CB 627 provides that a failure to file required information return or 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, because the organization has not established that it is observing the conditions required for the continuation of an exempt status.

TAXPAYERS'S POSITION:

Taxpayer will not respond to the information requests. Therefore, the taxpayer position is not known at this time.

Form 886-A (May 2017)	Department of the Treasury – Internal Revenue Service Explanations of Items	Schedule number or exhibit
Name of taxpayer	Tax Identification Number (<i>last 4 digits</i>)	Year/Period ended 12/31/20XX

GOVERNMENT POSITION:

Treasury Regulation Section 1.6033-2(i) (2) provides, in part, that every organization which is exempt from tax, whether or not is required to file an annual information return, must submit additional information upon request by the Internal Revenue Service for the purpose of inquiring in its exempt status and administering the provisions of subchapter F, Chapter 1 or subtitle A or the Code, IRC section 6033, and Chapter 42 of subtitle D of the Code.

The information that the service requested is material to establish the organizations right to maintain its exempt status. An organization, to be qualified as an entity described in section 501 (c) (3) of the Internal Revenue Code or in certain other categories of tax-exempt organization, must be organized and operated so that no part of its net earning inures to the benefit of any private shareholder or individual. The essence of the concept is to ensure that a tax-exempt charitable organization is serving a public interest and not a private interest.

Section 1.6033-2 (i) (2) of the Regulation and Revenue Ruling 59-95, 1959-CB 627 requires every organization which is exempt from tax to submit additional information upon request by the Internal Revenue Service. The Service has requested the organization to provide information for the purposes of inquiring into its exempt status. The requested information was material in determining whether the organization continues to qualify for Federal tax-exempt status under IRC section 501 (c) (3).

The Service has given the organization adequate opportunities to provide the requested information and has advised the organization of the consequences for failing to provide the information. The organization failed to respond to the Service's request for information knowing that such refusals to provide the requested information may result in the loss of its tax-exempt status. By not providing the requested information, the organization has failed to demonstrate that it is observing the conditions for continued exemption. Therefore, the organization's Federal Tax-Exempt status under IRC section 501 (c) (3) should be revoked effective January 1, 20XX.

CONCLUSION:

has not responded to repeated requests for financial information and information about the organization's activities. By not providing the requested information, the organization has failed to establish that it is observing the conditions for continued exemption. Therefore, the organizations Federal tax-exempt status under IRC section 501 (c) (3) should be revoked effective January 1, 20XX.