



Department of the Treasury  
Internal Revenue Service  
Tax Exempt and Government Entities  
PO Box 2508  
Cincinnati, OH 45201

Date:  
03/20/2023  
Employer ID number:

Tax years:

Person to contact:

Number: **202324011**  
Release Date: 6/16/2023

**UIL: 501.03-00, 501.03-30**

Dear :

This letter is our final determination that you don't qualify for exemption from federal income tax under Internal Revenue Code (IRC) Section 501(a) as an organization described in IRC Section 501(c)(3). Recently, we sent you a proposed adverse determination in response to your application. The proposed adverse determination explained the facts, law, and basis for our conclusion, and it gave you 30 days to file a protest. Because we didn't receive a protest within the required 30 days, the proposed determination is now final.

Because you don't qualify as a tax-exempt organization under IRC Section 501(c)(3), donors generally can't deduct contributions to you under IRC Section 170.

We may notify the appropriate state officials of our determination, as required by IRC Section 6104(c), by sending them a copy of this final letter along with the proposed determination letter.

You must file the federal income tax forms for the tax years shown above within **30 days** from the date of this letter unless you request an extension of time to file. For further instructions, forms, and information, visit [www.irs.gov](http://www.irs.gov).

We'll make this final adverse determination letter and the proposed adverse determination letter available for public inspection after deleting certain identifying information, as required by IRC Section 6110. Read the enclosed Letter 437, Notice of Intention to Disclose - Rulings, and review the two attached letters that show our proposed deletions. If you disagree with our proposed deletions, follow the instructions in the Letter 437 on how to notify us. If you agree with our deletions, you don't need to take any further action.

If you have questions about this letter, you can call the contact person shown above. If you have questions about your federal income tax status and responsibilities, call our customer service number at 800-829-1040 (TTY 800-829-4933 for deaf or hard of hearing) or customer service for businesses at 800-829-4933.

Sincerely,

Stephen A. Martin  
Director, Exempt Organizations  
Rulings and Agreements

Enclosures:

Letter 437

Redacted Letter 4034

Redacted Letter 4038



**Department of the Treasury**  
**Internal Revenue Service**  
PO Box 2508  
Cincinnati, OH 45201

**Date:**  
January 11, 2023  
**Employer ID number:**

**Person to contact:**

**Name:**  
**ID number:**  
**Telephone:**  
**Fax:**

**Legend:**

X = date 1  
Y = state  
Z = date 2

**UIL:**

501.03-00  
501.03-30

Dear \_\_\_\_\_ :

We considered your application for recognition of exemption from federal income tax under Internal Revenue Code (IRC) Section 501(a). We determined that you don't qualify for exemption under IRC Section 501(c)(3). This letter explains the reasons for our conclusion. Please keep it for your records.

**Issues**

Do you qualify for exemption under IRC Section 501(c)(3)? No, for the reasons stated below.

**Facts**

You submitted Form 1023-EZ, Streamlined Application for Recognition of Exemption Under IRC Section 501(c)(3).

You attest that you were incorporated on X in Y. You attest that you have the necessary organizing document, that your organizing document limits your purposes to one or more exempt purposes within the meaning of the IRC Section 501(c)(3), that your organizing document does not expressly empower you to engage in activities, other than an insubstantial part, that are not in furtherance of one or more exempt purposes, and that your organizing document contains the dissolution provision required under Section 501(c)(3).

You attest that you are organized and operated exclusively to further charitable purposes. You attest that you have not conducted and will not conduct prohibited activities under IRC Section 501(c)(3). Specifically, you attest you will:

- Refrain from supporting or opposing candidates in political campaigns in any way
- Ensure that your net earnings do not inure in whole or in part to the benefit of private shareholders or individuals
- Not further non-exempt purposes (such as purposes that benefit private interests) more than insubstantially

**Letter 4034 (Rev. 01-2021)**  
Catalog Number 47628K

- Not be organized or operated for the primary purpose of conducting a trade or business that is not related to your exempt purpose(s)
- Not devote more than an insubstantial part of your activities attempting to influence legislation or, if you made a Section 501(h) election, not normally make expenditures in excess of expenditure limitations outlined in Section 501(h)
- Not provide commercial-type insurance as a substantial part of your activities

Your mission or most significant activities are to promote cooperative efforts in the field of estate planning among professions and businesses represented by your members.

Detailed information was subsequently requested. You were incorporated on Z. Your Articles of Incorporation states your purpose is to promote estate planning, to inform members on new laws and developments, plan meetings and disseminate information, and to promote respect and understanding of the functions in the field of estate planning.

You organize four meetings annually for estate planning professionals and promote cooperation among the various disciplines involved in estate planning. of these meetings involve inviting a speaker on a topic of interest relative to the estate planning field. Your meeting is for social and networking for estate planning professionals.

Your participants are lawyers, accountants, financial advisors, insurance agents, trust and planned giving officers or other professionals involved in the member disciplines: law, accounting, financial planning, insurance, trust and estate administration, and charitable giving. A membership fee is charged to cover speaker fees, your website and other expenses.

### **Law**

Internal Revenue Code Section 501(c)(3) provides for the recognition of exemption of organizations that are organized and operated exclusively for religious, charitable, or other purposes as specified in the statute. No part of the net earnings may inure to the benefit of any private shareholder or individual.

Treasury Regulation Section 1.501(c)(3)-1(a)(1) states that, to be exempt as an organization described in IRC Section 501(c)(3), an organization must be both organized and operated exclusively for one or more of the purposes specified in such section. If an organization fails to meet either the organizational test or the operational test, it is not exempt.

Treas. Reg. Section 1.501(c)(3)-1(c)(1) provides 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 IRC 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.

Revenue Ruling 71-504, 1971-2 C.B. 231 describes a city medical society, which has been recognized as exempt from Federal income tax under section 501(c)(6) of the Code, that asked the Internal Revenue Service whether it may be reclassified as a charitable and educational organization exempt from Federal income tax under section 501(c)(3) of the Code. While some of its activities were charitable, most of its activities were directed primarily at the promotion of businesses and thus furthered the common business purpose of its members. The Revenue Ruling held that the presence of a single non-charitable or non-educational purpose,

substantial in nature, precluded exemption under section 501(c)(3) regardless of the number or importance of truly charitable or educational purposes.

Revenue Ruling 76-366 held that an association of investment clubs formed to enable members and prospective investors to make sound investments by the mutual exchange of investment information that carries on not only educational activities but other activities to support and promote the economic interest of its members doesn't qualify for exemption under IRC Section 501(c)(3). "While some of the association's activities are educational, and of the kind that might be carried on by an organization described in IRC Section 501(c) (3) of the Code, many of the activities listed above are directed in whole or in part to the support and promotion of the economic interests of the investment clubs that comprise its membership."

In Better Business Bureau of Washington, D.C., Inc. v. United States, 326 U.S. 279 (1945), the Supreme Court held that the presence of a single non-exempt purpose, if substantial in nature, will destroy a claim for exemption regardless of the number or importance of truly exempt purposes.

In Benjamin Price Genealogical Association v. Commissioner, 44 A.F.T.R.2d (1979), the court held that an organization formed to disseminate information on, and to preserve documents relating to, the genealogy of Benjamin Price did not qualify for exemption under IRC Section 501(c)(3) because it was created and operated primarily for the benefit of the private interests of its members rather than exclusively for educational purposes.

#### **Application of law**

IRC Section 501(c)(3) sets forth two main tests for an organization to be recognized as exempt. An organization must be both organized and operated exclusively for purposes described in Section 501(c)(3) as specified in Treas. Reg. Section 1.501(c)(3)-1(a)(1). You are not operated exclusively for purposes described in Section 501(c)(3) as your activities are aimed at serving members of a particular professional industry. While certain activities you conduct are aimed at educating your members, these are not exclusive, as you are also providing social and networking opportunities. These are not insubstantial and therefore you are not operating exclusively for an exempt purpose as described in Treas. Reg. Section 1.501(c)(3)-1(c)(1).

You are similar to the organization in Revenue Ruling 71-504 in that your activities are serving the personal and professional interests of your members, versus the general public. The organization in this ruling was already exempt under IRC Section 501(c)(6) as its activities were primarily aimed at the promotion of business. Similarly, you are aimed at the promotion of estate planning professionals. As seen in Revenue Ruling 76-366, an organization that carries on educational activities as well as other activities that support and promote personal economic interests of its members does not qualify. In both rulings it is noted that while some of the activities are educational the presence of a substantial non-exempt purpose precluded exemption under Section 501(c)(3). (see Better Business Bureau of Washington, D.C., Inc. v. United States)

You are similar to the organization described in Benjamin Price Genealogical Association v. Commissioner because your activities serve a private interest to your members and not the general public. Your educational and networking activities are directed primarily towards the field of estate planning, which furthers the common business and economic interest of your members. Your non-exempt activities are substantial in nature and are serving private rather than exclusive educational purposes.

### **Conclusion**

Based on the facts and information provided, you are not operated exclusively for exempt purposes. You are serving the private interests of your members rather than a public educational purpose. Therefore, you are not described in Section 501(c)(3).

### **If you agree**

If you agree with our proposed adverse determination, you don't need to do anything. If we don't hear from you within 30 days, we'll issue a final adverse determination letter. That letter will provide information on your income tax filing requirements.

### **If you don't agree**

You have a right to protest if you don't agree with our proposed adverse determination. To do so, send us a protest within 30 days of the date of this letter. You must include:

- Your name, address, employer identification number (EIN), and a daytime phone number
- A statement of the facts, law, and arguments supporting your position
- A statement indicating whether you are requesting an Appeals Office conference
- The signature of an officer, director, trustee, or other official who is authorized to sign for the organization or your authorized representative
- The following declaration:

**For an officer, director, trustee, or other official who is authorized to sign for the organization:**

Under penalties of perjury, I declare that I have examined this request, or this modification to the request, including accompanying documents, and to the best of my knowledge and belief, the request or the modification contains all relevant facts relating to the request, and such facts are true, correct, and complete.

Your representative (attorney, certified public accountant, or other individual enrolled to practice before the IRS) must file a Form 2848, Power of Attorney and Declaration of Representative, with us if they haven't already done so. You can find more information about representation in Publication 947, Practice Before the IRS and Power of Attorney.

We'll review your protest statement and decide if you gave us a basis to reconsider our determination. If so, we'll continue to process your case considering the information you provided. If you haven't given us a basis for reconsideration, we'll send your case to the Appeals Office and notify you. You can find more information in Publication 892, How to Appeal an IRS Determination on Tax-Exempt Status.

If you don't file a protest within 30 days, you can't seek a declaratory judgment in court later because the law requires that you use the IRC administrative process first (IRC Section 7428(b)(2)).

**Where to send your protest**

Send your protest, Form 2848, if applicable, and any supporting documents to the applicable address:

U.S. mail:

Internal Revenue Service  
EO Determinations Quality Assurance  
Mail Stop 6403  
PO Box 2508  
Cincinnati, OH 45201

Street address for delivery service:

Internal Revenue Service  
EO Determinations Quality Assurance  
550 Main Street, Mail Stop 6403  
Cincinnati, OH 45202

You can also fax your protest and supporting documents to the fax number listed at the top of this letter. If you fax your statement, please contact the person listed at the top of this letter to confirm that they received it.

You can get the forms and publications mentioned in this letter by visiting our website at [www.irs.gov/forms-pubs](http://www.irs.gov/forms-pubs) or by calling 800-TAX-FORM (800-829-3676). If you have questions, you can contact the person listed at the top of this letter.

**Contacting the Taxpayer Advocate Service**

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 if 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](http://www.taxpayeradvocate.irs.gov) or call 877-777-4778.

We sent a copy of this letter to your representative as indicated in your power of attorney.

Sincerely,

Stephen A. Martin  
Director, Exempt Organizations  
Rulings and Agreements