



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

Date:

October 2, 2024

Taxpayer ID number (last 4 digits):

██████

Form:

██████

Tax periods ended:

████████████████████

Person to contact:

Name: ████████████████████

ID number: ████████████████

Telephone: ████████████████

Fax: ████████████████

Last day to file petition with United States
Tax Court:

December 31, 2024

████████████████████
████████████████████

Release Number: 202452015

Release Date: 12/27/24

UIL Code: 501.03-00

CERTIFIED MAIL - Return Receipt Requested

Dear ████████████████████:

Why we are sending you this letter

This is a 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), effective ██████████. Your determination letter dated ██████████, is revoked.

Our adverse determination as to your exempt status was made for the following reasons: You regularly filed Forms 990-N. However, your organization had an average of more than \$50,000 in gross receipts and more than \$500,000 of assets. Thus, you consistently did not file the appropriate annual return. If an organization described in IRC Section 6033, subsection (a)(1) or (i) fails to file an annual return or notice required under either subsection for 3 consecutive years, such organization's status as an organization exempt from tax under section 501(a) shall be considered revoked on and after the date set by the Secretary for the filing of the third annual return or notice [IRC 6033(j)(1)(B)].

Organizations that are not exempt under IRC Section 501 generally are required to file federal income tax returns and pay tax, where applicable. For further instructions, forms and information please visit [IRS.gov](https://www.irs.gov).

Contributions to your organization are no longer deductible under IRC Section 170.

What you must do if you disagree with this determination

If you want to contest our final determination, you have 90 days from the date this determination letter was mailed to you to file a petition or complaint in one of the three federal courts listed below.

How to file your action for declaratory judgment

If you decide to contest this determination, you can file an action for declaratory judgment under the provisions of Section 7428 of the Code in either:

- The United States Tax Court,
- The United States Court of Federal Claims, or
- The United States District Court for the District of Columbia

You must file a petition or complaint in one of these three courts within 90 days from the date we mailed this determination letter to you. You can download a fillable petition or complaint form and get information about filing at each respective court's website listed below or by contacting the Office of the Clerk of the Court at one of the addresses below. Be sure to include a copy of this letter and any attachments and the applicable filing fee with the petition or complaint.

You can eFile your completed U.S. Tax Court petition by following the instructions and user guides available on the Tax Court website at ustaxcourt.gov/dawson.html. You will need to register for a DAWSON account to do so. You may also file your petition at the address below:

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

The websites of the U.S. Court of Federal Claims and the U.S. District Court for the District of Columbia contain instructions about how to file your completed complaint electronically. You may also file your complaint at one of the addresses below:

US Court of Federal Claims
717 Madison Place, NW
Washington, DC 20439
uscfc.uscourts.gov

US District Court for the District of Columbia
333 Constitution Avenue, NW
Washington, DC 20001
dcd.uscourts.gov

Processing of income tax returns and assessments of any taxes due will not be delayed if you file a petition for declaratory judgment under IRC Section 7428.

The IRS office whose phone number appears at the top of the notice can best address and access your tax information and help get you answers. However, you may be eligible for free help from the Taxpayer Advocate Service (TAS) if you can't resolve your tax problem with the IRS or if you believe an IRS procedure just isn't working as it should. TAS is an independent organization within the IRS that helps taxpayers and protects taxpayer rights. Visit TaxpayerAdvocate.IRS.gov/contact-us or call 877-777-4778 (TTY/TDD 800-829-4059) to find the location and phone number of your local advocate. Learn more about TAS and your rights under the Taxpayer Bill of Rights at TaxpayerAdvocate.IRS.gov. Do not send your Tax Court petition to TAS. Use the Tax Court address provided earlier in the letter. Contacting TAS does not extend the time to file a petition.

Where you can find more information

Enclosed are Publication 1, Your Rights as a Taxpayer, and Publication 594, The IRS Collection Process, for more comprehensive information.

Find tax forms or publications by visiting IRS.gov/forms or calling 800-TAX-FORM (800-829-3676). If you have questions, you can call the person shown at the top of this letter.

If you prefer to write, use the address shown at the top of this letter. Include your telephone number, the best time to call, and a copy of this letter.

You may fax your documents to the fax number shown above, using either a fax machine or online fax service. Protect yourself when sending digital data by understanding the fax service's privacy and security policies.

Keep the original letter for your records.

Sincerely,



Lynn A. Brinkley

Director, Exempt Organizations Examinations

Enclosures:

Publication 1

Publication 594

Publication 892

cc: 



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

[REDACTED]

[REDACTED]

Date: 12/15/2023
Taxpayer ID number: [REDACTED]
Form: [REDACTED]
Tax periods ended: [REDACTED]
Person to contact:
Name: [REDACTED]
ID number: [REDACTED]
Telephone: [REDACTED]
Fax: [REDACTED]
Address: [REDACTED]
Manager's contact information:
Name: [REDACTED]
ID number: [REDACTED]
Telephone: [REDACTED]
Response due date: 01/25/2024

CERTIFIED MAIL – Return Receipt Requested

Dear [REDACTED]:

Why you're receiving this letter

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.

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

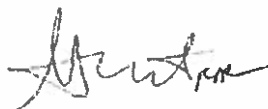
The Taxpayer Advocate Service (TAS) is an independent organization within the IRS that can help protect your taxpayer rights. TAS can offer you help if your tax problem is causing a hardship, or you've tried but haven't been able to resolve your problem with the IRS. If you qualify for TAS assistance,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

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,



Lynn A. Brinkley
Director, Exempt Organizations Examinations

Enclosures:

Form 886-A

Form 6018, Form 6018. Publication 3498, and Publication 892

Form 886A	Department of the Treasury - Internal Revenue Service Explanation of Items	Exhibit No. 1
Name of Taxpayer		Year/Period Ended

ISSUES:

- 1) Whether annual gross receipts of _____ were normally more than \$50,000 for tax periods ending _____ and _____ and, therefore, _____ was ineligible to satisfy the annual return filing requirement under Internal Revenue Code ("IRC") Section 6033(a)(1) by filing Form 990-N, Electronic Notice (e-Postcard) for Tax-Exempt Organizations Not Required to File Form 990 or 990-EZ.

- 2) Whether _____ exempt status should be revoked by operation of law under IRC Section 6033(j)(1)(B) for the failure to satisfy the annual return filing requirement under Section 6033(a)(1) for tax periods ending _____ and _____.

FACTS:

_____ is recognized as an IRC Section 501(c)(3) tax-exempt organization described in IRC Section 509(a)(2). _____ is

_____ filed Form 990-N for tax periods ending _____ and _____.

During the communication with _____ they provided the following information:

In the year ended _____, _____ received \$ _____ in annual gross receipts and averaged \$ _____ in annual gross receipts over the _____ period ending that same year.

In the year ended _____, _____ received \$ _____ in annual gross receipts and averaged \$ _____ in annual gross receipts over the _____ period ending that same year.

In the year ended _____, _____ received \$ _____ in annual gross receipts and averaged \$ _____ in annual gross receipts over the _____ period ending that same year.

LAW & ANALYSIS:

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Name of Taxpayer		Year/Period Ended

Under IRC Section 6033(a)(1), every organization exempt from taxation under Section 501(a), subject to certain exceptions, must file an annual information return (Form 990, Form 990-EZ, or Form 990-PF). Section 6033(a)(3)(A)(ii) provides a mandatory exception for organizations with annual gross receipts normally not more than \$50,000. Section 6033(a)(3)(B) additionally provides that the Secretary may relieve any organization (other than an organization described in Section 509(a)(3)) from the annual return filing requirement where the Secretary determines such a filing is not necessary to the efficient administration of the internal revenue laws. Under this discretionary exception, most exempt organizations with annual gross receipts normally not more than \$50,000 are not required to file an annual information return. See Treasury Regulation ("Regulation") Section 1.6033-2(g)(1)(iii) and (viii).

The gross receipts of an organization are normally not more than \$50,000 if, in the case of an organization that has been in existence for three years or more, the average of the gross receipts received by the organization in the immediately preceding three taxable years, including the year for which the return would be required to be filed, is \$50,000 or less. See Regulation Section 1.6033-2(g)(3)(iii) and Revenue Procedure 2011-15, 2011-3 IRB 322.

IRC Sections 6033(i) and (j) were added to the Internal Revenue Code by section 1223 of the Pension Protection Act (PPA) and became effective for taxable years beginning after 2006. Section 6033(i)(1) contains an annual electronic notice requirement for most exempt organizations that are not required to file an annual information return under Section 6033(a)(1) because their annual gross receipts result in such organizations being referred to in Section 6033(a)(3)(A)(ii) or (a)(3)(B). In effect, Section 6033(i) generally requires an exempt organization to submit an annual electronic notice (Form 990-N) if its annual gross receipts are normally not more than \$50,000. The Department of the Treasury and the Service issued final regulations under Section 6033(i) that describe the time and manner of submitting the annual electronic notice. See Regulation Section 1.6033-6.

Regulation Section 1.6033-6(b)(1) provides that an organization that is required to file an annual information return under IRC Section 6033(a)(1) shall not submit an annual electronic notice. Regulation Section 1.6033-6(c)(3) further provides that by submitting the annual electronic notice, "an organization acknowledges that it is not required to file a return under section 6033(a) because its annual gross receipts are not normally in excess of [\$50,000]." In order to make this determination, the organization must maintain records that enable it to calculate its gross receipts. All organizations are required to keep records under IRC Section 6001. These records will provide evidence of the continuing basis for the organization's exemption from the annual return requirement under Section 6033(a)(1). Finally, the regulations provide that an organization's eligibility to submit the annual electronic notice under Section 6033(i)

Form 886A	Department of the Treasury - Internal Revenue Service Explanation of Items	Exhibit No. 1
Name of Taxpayer		Year/Period Ended

rather than having to file a return does not relieve the organization from having to file other required information or tax returns, or from the penalties for the failure to file such returns.

IRC Section 6033(j)(1)(B) provides, in part, that if an organization required to file an annual information return under Section 6033(a)(1) fails to file the return or notice required for three consecutive years, the organization's tax-exempt status is revoked by operation of law (automatic revocation). The revocation is effective as of the date set by the Secretary for the filing of the third required information return or electronic notice.

If an organization is required to file an annual information return on Form 990 or Form 990-EZ pursuant to IRC Section 6033(a)(1) or an annual electronic notice on Form 990-N pursuant to Section 6033(i), Section 6033(j)(1)(B) provides for the automatic revocation of the exempt status of the organization if it fails to file the required return or notice for three consecutive years. Section 6033(i) and the regulations thereunder require an organization to submit a Form 990-N (with some exceptions not applicable here) if it is not required by Section 6033(a)(1) to file Form 990 or Form 990-EZ. Regulation Section 1.6033-6(b)(1) expressly provides that an organization required to file an annual information return under IRC Section 6033(a)(1) shall not submit an annual electronic notice under Section 6033(i). In other words, an organization whose annual gross receipts normally exceed \$50,000 can neither satisfy its annual reporting obligation nor avoid the automatic revocation provision of Section 6033(j)(1)(B) by submitting a Form 990-N. Thus, any organization that fails to file the return required by Section 6033(a)(1) for three consecutive years, including an organization identified as having improperly submitted a Form 990-N for a consecutive period, will be revoked by operation of law pursuant to Section 6033(j)(1)(B).

GOVERNMENT'S POSITION:

failed to satisfy its annual return filing requirement under IRC Section 6033(a)(1) for the tax periods ending , and For each of these tax periods, did not file a Form 990 or Form 990-EZ and was ineligible to file a Form 990-N due to normally receiving more than \$50,000 in annual gross receipts.

POSITION:

agrees

LIMITED OPPORTUNITY FOR APPEAL CONSIDERATION:

Automatic revocation under IRC Section 6033(j) occurs by operation of law and is not an adverse determination within the meaning of Section 7123(c). Therefore, an

Form 886A	Department of the Treasury - Internal Revenue Service Explanation of Items	Exhibit No. 1
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organization whose tax exemption is automatically revoked generally may not appeal the revocation of its exempt status but must reapply for exempt status. See also Section 12.02 of Revenue Procedure 2022-5.

This limitation on administrative appeals parallels the limitation on declaratory judgment actions with respect to automatic revocation in IRC Section 7428. In general, Section 7428(a)(1) permits, in pertinent part, an organization to bring an action for declaratory judgment in cases involving a determination of an organization's continuing qualification as an organization described in Section 501(c). Section 7428(b)(4), however, provides that no action may be brought with respect to the revocation of exempt status under Section 6033(j)(1)(B). There is similarly no determination for the Independent Office of Appeals to review with respect to an automatic revocation.

Although an organization whose exempt status is revoked by operation of law under IRC Section 6033(j)(1)(B) has no declaratory judgment rights and is not eligible to challenge the revocation, including the opportunity for consideration by Appeals, the Service has the discretion to offer organizations the opportunity for Appeals consideration with respect to certain issues. The Service has determined that Appeals, in its discretion, may provide a limited review as to whether

annual gross receipts normally exceeded \$50,000 in a specific year, rendering it ineligible to submit the Form 990-N for that year.

If requests and Appeals agree to review the case, Appeals may sustain or reverse the Service's examination conclusion that

annual gross receipts normally exceeded \$50,000 for a specific year. If Appeals reverses this conclusion as to annual gross receipts, automatic revocation will not occur because the organization would not have failed to file its required annual return or notice for three consecutive years. However, if Appeals sustains the Service's conclusion that gross receipts normally exceeded \$50,000 (rendering it ineligible to submit a Form 990-N), exempt status is revoked. Appeals does not have the authority to reverse the automatic revocation based on IRC Section 6033(j)(1)(B) because such revocation occurs by operation of law.

CONCLUSION:

ending , failed to satisfy its annual filing requirement for tax years and as required under IRC Section 6033(a)(1). was ineligible to satisfy this requirement by filing Form 990-

