

[REDACTED]
[REDACTED]
[REDACTED]
JUN 25 1964

CERTIFIED MAIL

Dear Sir or Madam:

We have considered your application for recognition of exemption from Federal income tax as an organization described in Section 501(c)(6) of the Internal Revenue Code.

The information submitted show that you were incorporated on [REDACTED] as a non stock corporation to advance the civic and commercial interests of your members and to conduct any lawful business on a not-for-profit basis.

You are a membership organization. The annual dues payable to the corporation by general members will be in such amounts as set forth in the lease of each general member for space within the limits of the [REDACTED]. The developer pays annual dues in an amount equal to [REDACTED] ([REDACTED] %) of all dues collected from all other general members.

Your activities consist of membership meetings, advertising meetings, advertising and promoting the merchants of [REDACTED]. The types of advertising used to promote the mall and it's merchants are promotional newsletters, fliers, and in-house advertising. Your advertising contains the names of stores located in [REDACTED]. The samples you submitted of your printed advertising show that these advertisements contain the names of your members and the types of merchandise sold.

Section 501(c)(6) of the Internal Revenue Code provides exemption for business leagues, chambers of commerce, real estate boards, or boards of trade, not organized for profit and no part of the net earnings of which inures to the benefit of any private shareholder or individual.

Section 1.501(c)(6)-1 of the Income Tax Regulations states that a business league is an association of persons having some common business interest, the purpose of which is to

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promote such common interest and not to engage in a regular business of a kind ordinarily carried on for profit. Its activities should be directed to the improvement of business conditions of one or more lines of business as distinguished from the performance of particular services for individual persons.

The service has published Revenue Ruling 73-411 in Cumulative Bulletin 1973-2 on page 180. This ruling denied 501(c)(6) status to a shopping center merchants' association whose membership is restricted to and required of the tenants of a one-owner shopping center and their common lessor, and whose activities were directed to promoting the general business interest of its members.

Revenue Ruling 64-315, Cumulative Bulletin 1964-2, page 147 deals with "An association of merchants whose businesses constitute a shopping center expands its funds and engages exclusively in advertising in various newspapers and on television and radio in order to attract customers to the shopping center. This advertising contains the names of member merchants and their merchandise. Hold, the organization is not entitled to exemption from Federal income tax as an organization described in Section 501(c)(6) of the Internal Revenue Code.

Based on the data you have submitted and on the Internal Revenue Code, Income Tax Regulations, and Revenue Rulings as cited in this letter it is therefore concluded that you do not qualify for tax exempt status as an organization described in Section 501(c)(6) of the Internal Revenue Code. It has also been determined that you do not qualify for tax exempt status under any other Section of the Code.

You are required to file Federal income tax returns on Form 1120. All past due returns should be filed with this office within 60 days from the date of this letter, unless a request for an extension of time is granted. File returns for later years with the appropriate service center indicated the instructions for those returns.

If you do not accept our findings, we recommend that you request a conference with a member of our Regional Office of Appeals. Your request for a conference should include a written appeal giving the facts, law, and any other information to support your position as explained in the

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enclosed Publication 892. You will then be contacted to arrange a date for a conference. The conference may be held at the Regional Office or, if you request, at any mutually convenient District office. If we do not hear from you within 30 days of this letter, this determination will become final.

Sincerely yours,

[REDACTED]
District Director

Enclosure: Publication 892

cc: [REDACTED]