



DEPARTMENT OF THE TREASURY  
Internal Revenue Service  
TE/GE EO Examinations  
1100 Commerce Street, MC 4920DAL  
Dallas, TX 75242

TAX EXEMPT AND  
GOVERNMENT ENTITIES  
DIVISION

Date: JUL 06 2017

Taxpayer Identification Number:

Number: **201751021**  
Release Date: 12/22/2017

Person to Contact:

Employee Identification Number:

Employee Telephone Number:

UIL: 501.03-00

LAST DATE FOR FILING A PETITION  
WITH THE TAX COURT:

CERTIFIED MAIL - Return Receipt Requested

Dear :

This is a Final Adverse Determination Letter as to your exempt status under section 501(c)(3) of the Internal Revenue Code. Your exemption from Federal income tax under section 501(c)(3) of the Code is hereby revoked effective September 2, 20xx.

Our adverse determination was made for the following reasons:

Organizations described in section 501(c)(3) of the Code and exempt under section 501(a) of the Code must be both organized and operated exclusively for exempt purposes. You have failed to produce documents or otherwise establish that you are operated exclusively for exempt purposes and that no part of your net earnings inures to the benefit of private shareholders or individuals. You failed to respond to repeated reasonable requests to allow the Internal Revenue Service to examine your records regarding your receipts, expenditures, or activities as required by sections 6001 and 6033(a)(1) of the Code, the regulations thereunder, and Rev. Rul. 59-95, 1959-1 C.B. 627.

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. If you have not already filed these returns and the agent has not provided you instructions for converting your previously filed Form 990 to Form 1120, you should file these income tax returns with the appropriate Service Center for the tax year ending December 31, 20xx and for all tax years thereafter in accordance with the instructions of the return.

Processing of income tax returns and assessments 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, you may file an action for declaratory judgment under the provisions of section 7428 of the Code in one of the following three venues: United States Tax Court, the United States Court of Federal Claims, or the United States District Court for the District of Columbia. A petition or complaint in one of these three courts must be filed before the 91 st day after the date this determination was mailed to you if you wish to seek review of our determination. Please contact the clerk of the respective court for rules and the appropriate forms regarding filing petitions for declaratory judgment by referring to the enclosed Publication 892. Please note that the United States Tax Court is the only one of these courts where a declaratory judgment action can be pursued without the services of a lawyer. 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

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 [taxpayeradvocate.irs.gov](http://taxpayeradvocate.irs.gov) or call 1-877-777-4778.

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

Sincerely yours,

Maria Hooke  
Director, Exempt Organizations Examinations

Enclosures:  
Publication 892



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

Date: September 16, 2016

Taxpayer Identification Number:

Form:

Tax Year(s) Ended:

Person to Contact/ID Number:

Contact Numbers:

Manager's Name/ID Number:

Manager's Contact Number:

Response due date:

Certified Mail – Return Receipt Requested

Dear :

**Why you are receiving this letter**

We propose to revoke your status as an organization described in section 501(c)(3) of the Internal Revenue Code (Code). Enclosed is our report of examination explaining the proposed action.

**What you need to do if you agree**

If you agree with our proposal, please sign the enclosed Form 6018, *Consent to Proposed Action – Section 7428*, and return it to the contact person at the address listed above (unless you have already provided us a signed Form 6018). We'll issue a final revocation letter determining that you aren't an organization described in section 501(c)(3).

After we issue the final revocation letter, we'll announce that your organization is no longer eligible for contributions deductible under section 170 of the Code.

**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 revocation letter. Failing to respond to this proposal will adversely impact your legal standing to seek a declaratory judgment because you failed to exhaust your administrative remedies.

**Effect of revocation status**

If you receive a final revocation letter, you'll be required to file federal income tax returns for the tax year(s) shown above as well as for subsequent tax years.

**What you need to do if you disagree with the proposed revocation**

If you disagree with our proposed revocation, you may request a meeting or telephone conference with the supervisor of the IRS contact identified in the heading of this letter. You also

may file a protest with the IRS Appeals office by submitting a written request to the contact person at the address listed above within 30 calendar days from the date of this letter. The Appeals office is independent of the Exempt Organizations division and resolves most disputes informally.

For your protest to be valid, it must contain certain specific information including a statement of the facts, the applicable law, and arguments in support of your position. For specific information needed for a valid protest, please refer to page one of the enclosed Publication 892, How to Appeal an IRS Decision on Tax-Exempt Status, and page six of the enclosed Publication 3498, The Examination Process. Publication 3498 also includes information on your rights as a taxpayer and the IRS collection process. Please note that Fast Track Mediation referred to in Publication 3498 generally doesn't apply after we issue this letter.

You also may request that we refer this matter for technical advice as explained in Publication 892. Please contact the individual identified on the first page of this letter if you are considering requesting technical advice. If we issue a determination letter to you based on a technical advice memorandum issued by the Exempt Organizations Rulings and Agreements office, no further IRS administrative appeal will be available to you.

**Contacting the Taxpayer Advocate Office is a taxpayer right**

You have the right to contact the office of the Taxpayer Advocate. Their assistance isn't a substitute for established IRS procedures, such as the formal appeals process. The Taxpayer Advocate can't reverse a legally correct tax determination or extend the time you have (fixed by law) to file a petition in a United States court. They can, however, see that a tax matter that hasn't 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:

Internal Revenue Service  
Office of the Taxpayer Advocate

**For additional information**

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,

Margaret Von Lienen  
Director, EO Examinations

Enclosures:  
Report of Examination  
Form 6018  
Publication 892  
Publication 3498

|                                          |                              |                                             |
|------------------------------------------|------------------------------|---------------------------------------------|
| Form <b>886-A</b><br>(Rev. January 1994) | <b>EXPLANATIONS OF ITEMS</b> | Schedule number or exhibit                  |
| Name of taxpayer                         | Tax Identification Number    | Year/Period ended<br>12/31/xx &<br>12/31/xx |

**ISSUE:** Whether \_\_\_\_\_ continues to qualify for tax exempt status under Internal Revenue Code (IRC) § 501(c)(3)?

**FACTS:**

\_\_\_\_\_, \_\_\_\_\_, was most recently granted tax exempt status under IRC § 501(c)(3) on December 12, 20xx, with an effective date of September 2, 20xx.

\_\_\_\_\_ original exempt status was granted on November 9, 20xx, with an effective date of July 10, 20xx. The Internal Revenue Service examined \_\_\_\_\_ activities during the years 20xx-20xx, and on October 22, 20xx, the IRS issued a final adverse determination, revoking its recognition of \_\_\_\_\_ tax-exempt status. Revocation of \_\_\_\_\_ exempt status was upheld in United States Tax Court, \_\_\_\_\_ vs. Commissioner, Docket No. xxxx-xxx, dated August xx, 20xx. The adverse determination was retroactive to \_\_\_\_\_ incorporation date of July 10, 20xx.

\_\_\_\_\_, former President of \_\_\_\_\_, who passed away in April, 20xx, submitted a new Form 1023, Application for Recognition of Exemption Under 501(c)(3) of the Internal Revenue Code, on September 2, 20xx. In this application on page 24, question 2c, "*Did you or did an organization to which you are a successor previously apply for tax exemption under section 501(c)(3) or any other section of the Code?*" The "No" box was checked. This appears to contradict the fact that this organization was previously exempt.

\_\_\_\_\_ was selected for an examination for years ending December 31, 20xx and December 31, 20xx. On March 30, 20xx, the IRS contacted \_\_\_\_\_ via telephone and left a message. On April 1<sup>st</sup>, the initial appointment letter and information document request (IDR) was sent for a tentatively scheduled appointment on April 18<sup>th</sup>. On April 11<sup>th</sup>, \_\_\_\_\_, a board member of \_\_\_\_\_, contacted IRS and requested the appointment be rescheduled to May 2, 20xx. On May 2<sup>nd</sup>, \_\_\_\_\_ left a message that they needed to reschedule the initial appointment. This initial appointment was changed to May 17, 20xx. The agent arrived at the taxpayer's location, but no one from the organization was present. On May 24<sup>th</sup>, certified letters were sent to both \_\_\_\_\_ home and business addresses. These letters were subsequently returned as unclaimed and refused, respectively. On June 7<sup>th</sup>, \_\_\_\_\_, another board member, contacted the IRS indicating that he would like to cooperate and provide all requested information. An appointment with the IRS was scheduled and held June 20<sup>th</sup>. \_\_\_\_\_ did not have any of the requested information available for initial appointment. During a brief interview, \_\_\_\_\_ indicated that \_\_\_\_\_ is currently not conducting any activities. A subsequent meeting was scheduled for July 8<sup>th</sup>. On July 7<sup>th</sup>, \_\_\_\_\_ called to state that he would not have the information requested until 3pm on July 8<sup>th</sup>. As a result, appointment was cancelled. However, \_\_\_\_\_ assured the IRS that all requested information would be mailed and at the IRS office by July 18, 20xx.

As of August 24, 20xx, the IRS still has not received any of the information requested. Numerous requests were made and \_\_\_\_\_ has failed to provide the information requested in our Information Document Requests. The information was requested as a part of our examination to determine

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|------------------------------------------|------------------------------|---------------------------------------------|----------------------------|
| Form <b>886-A</b><br>(Rev. January 1994) | <b>EXPLANATIONS OF ITEMS</b> |                                             | Schedule number or exhibit |
| Name of taxpayer                         | Tax Identification Number    | Year/Period ended<br>12/31/xx &<br>12/31/xx |                            |

whether or not the organization is operating in the manner stated in its application for recognition of exemption and to determine if the income and expenses have been correctly reported on the Forms 990 for the periods ending December 31, 20xx December 31, 20xx.

**LAW:**

Section 1-6033-2(i)(2) of the Income Tax Regulations provides, in part, that every organization which is exempt from tax, whether or not it is required to file an annual information return, shall submit such additional information as may be required by the Internal Revenue Service for the purpose of inquiring into its tax exempt status. Failure to comply with our request for information could result in the loss of your tax-exempt status.

**CONCLUSION:**

Revocation is being proposed because \_\_\_\_\_ has not complied with the requirements of § 1.6033-2(i)(2) of the Income Tax Regulations which requires an organization to provide the information requested in order to make a determination on the organization's exempt status described in Internal Revenue Code § 501(c)(3). Therefore, exempt status under IRC § 501(c)(3) should be revoked effective September 2, 20xx. Should this revocation either be agreed to or upheld, Form 1120, U.S. Corporation Income Tax Return, must be filed starting with tax period ending December 31, 20xx. In addition, contributions to \_\_\_\_\_ will no longer be deductible to donors as charitable contributions as defined in IRC § 170(c). Finally, all assets of \_\_\_\_\_ must be distributed to other entities qualifying under IRC § 501(c)(3) as designated in your Articles of Incorporation.

Note: If you are planning to appeal the proposed revocation, please refer to Publication 892 which is enclosed. Appeal should contain statement of facts declared true under penalties of perjury. Please refer to Publication 892, page 1 for example of statement signed under penalties of perjury.