

Internal Revenue Service
Appeals Office
300 N. Los Angeles Street
MS LA-8000 Room 3054
Los Angeles, CA 90012

Date: December 22, 2018

Number: **201911017**
Release Date: 3/15/2019

A

B

Department of the Treasury

Taxpayer Identification Number:
C

Person to Contact:

Employee ID Number: ****

Tel: ****

Fax: ****

UIL Index:

501.03-00

501.33-00

Redaction legend:

A= taxpayer name

B= taxpayer address

C= taxpayer identification number

CERTIFIED

Dear :

This is a final adverse 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 Section 501(c)(3).

We made the adverse determination for the following reason(s):

You have not demonstrated that you are organized and operated exclusively for charitable, educational, or other purposes and that no part of your net earnings inure to the benefit of private shareholders or individuals as required by section 501(c)(3) of the Internal Revenue Code. Treas. Reg. § 1.501(c)(3)-1(a)(1). You appear to be operated primarily for the purpose of operating a retail center for your members to operate their individual businesses. Your proposed customers are not limited to any charitable class. Further, you have not established that your operations serve public rather than private interests. Treas. Reg. § 1.501(c)(3)-1(d)(1)(ii).

Contributions to your organization are not deductible under Code § 170.

You're required to file Federal income tax returns on Forms 1120, U.S. Corporation Income Tax Return, or 1041, U.S. Income Tax Return for Estates and Trusts. Mail your form to the appropriate Internal Revenue Service Center per the form's instructions. You can get forms and instructions by visiting our website at www.irs.gov/forms-pubs or by calling 800-TAX-FORM (800-829-3676).

We'll make this letter and the proposed adverse determination letter available for public inspection under Code section 6110 after deleting certain identifying information. We have provided to you, in a separate mailing, Notice 437, *Notice of Intention to Disclose*. Please review the Notice 437 and the documents

attached that show our proposed deletions. If you disagree with our proposed deletions, follow the instructions in Notice 437.

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 either:

- United States Tax Court,
- The United States Court of Federal Claims,
- 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. Contact the clerk of the appropriate court for rules and the appropriate forms for filing petitions for declaratory judgment. You can 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

Note: We will not delay processing income tax returns and assessing any taxes due even if you file a petition for declaratory judgment under section 7428 of the Code.

You also have the right to contact 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. Please contact the Taxpayer Advocate for the IRS office that issued this letter. 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.

TAS assistance is not a substitute for established IRS procedures, such as the formal appeals process. TAS cannot reverse a legally correct tax determination, or extend the time fixed by law that you have to file a petition in a United States Court.

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

Sincerely,

Appeals Team Manager



Department of the Treasury
Internal Revenue Service
P.O. Box 2508
Cincinnati, OH 45201

Date: August 23, 2017

Employer ID number:

Contact person/ID number:

Contact telephone number:

Contact fax number:

Legend:

B = State

C = Date

D = Name

F = Name

G = Types of Members

H = Types of Members

w = Number

x = Number

UIL:

501.03-00

501.33-00

Dear

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

Issues

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

Facts

You incorporated in B on C. You are organized exclusively for charitable, scientific and educational purposes as defined in Section 501(c)(3) of the Code. Your Articles of Incorporation state you provide a place of inspiration and opportunity for practitioners, artists and educators to promote, advance and study individualized personal awareness and care. Also, you educate the general public regarding integrative wellness, the arts and holistic living.

You have four directors, including D and F. Your Code of Regulations states your initial members are D and F, and they shall be a member until resignation, incapacity, or death. The initial members may remove any member with or without cause.

You are a cooperative, collaborative consortium for practitioners, educators, artists and service providers. You benefit the general public by providing education on the importance of integrative wellness, the arts, holistic living and related health matters and benefits, and by engaging in various community outreach activities. Your members will be able to provide significant benefits to the community and interact with each other in a way none could alone.

You currently have over w members. Around % use your facility full or part time, but most do their work in offices, studios, and local businesses throughout central B.

Members represent their own businesses. You do not participate in any administrative aspects of member business. Your function is to create an infrastructure for a cooperative community. You address the needs and mission of the cooperative, not the administrative aids or small business support to members. However, many fellow members are small business support professionals.

Approximately % of your members are for-profit members. Most are private practices or individual providers in private practice. The remaining for-profit members represent academic institutions, local retailers or farms, small business support professionals, artists, and educators.

The other % of your members are non-profits. About % of are non-profits who are gifted a membership. The others are non-profits who pay the standard membership rates and fees.

You have two levels of membership: G and H. G are professionals offering integrative services or products, wanting to be part of a community of referrals and resources. They can be incorporated into integrative treatment teams and are easily searchable through your website. A G can be flexible, who are those not using your space or using it rarely, a resident practitioner, who are those using your space regularly, or a resident teacher, who are those holding regular classes at your facility.

H are people or businesses that support you, but are unlikely to work directly with patients, clients, or students.

H level benefits include:

- Vast resource network for the public
- Help promoting member business and events
- Option to participate in member to member benefits
- Option to support community outreach
- Ability to rent gathering spaces or the entire facility
- Sell or display art or retail and keep all sales

G level benefits include all the benefits provided to H members. In addition to those listed above, they also receive:

- Access to small business support
- Ability to host four guest events per year
- Twenty-four hour access to the facility

Flexible G, resident practitioners, and resident teachers have benefits similar to G members, with different fee levels.

Your members utilize you and pay rent that is substantially less than commercial rates for comparable facilities to provide for the community and each other.

You are rooted in equal exchange. In furthering this philosophy, you and many of your members offer donation based services. You ask that everyone donate something for services received, but if one cannot financially donate, you provide a surplus container from which they may take a coin to donate. The support from donations sustains you financially and ensures each person is truly invested in his or her own process.

While each of your members is an autonomous business owner, your co-op fosters an environment of collaboration. You are based on the values of self-help, self-responsibility, authenticity, compassion, and solidarity. Your founding goal is to be a place of inspiration, empowerment, and opportunity for practitioners, artists, educators and service providers. You believe that working together, you can create far more good than anyone can do on his or her own. Members join your cooperative to support your community outreach and to be close to professional and personal resources.

You conduct the following community outreach activities:

- Twice per year, the public can receive free physicals, cholesterol tests, diabetes tests, hearing tests, postural tests, lifestyle inventories, mental health screens, cardiovascular screens and the following free classes from members: yoga, meditation, health insurance information, integrative health care, skin care, tai chi, massage, reflexology, essential oils and acupuncture.
- Members participate in professional dialogue and resourcing for community questions and provide community wide referrals and provide input and opportunities for creating integrative treatment teams.
- Allows local organizations access for fundraisers, support groups, meetings, and retreats, and access to your practitioners, educators, artists and service providers. You do this through allowing such organizations to become members and contribute to the collective.
- A community market held weekly during the summer, the market provides free space for local farmers to sell their produce to the general public.
- Full moon drummings held monthly to educate the public about Native American traditions.
- A medicinal herb garden maintained by you. Products are made available for sale in your facility.

You may provide the following additional activities in the future if the finances and resources of the center allow:

- A community clinic program to provide free access to wellness services and support provided by your practitioners, educators, artists and service providers.
- A scholarship fund to help make integrative wellness services, classes, programs and out-of-pocket therapies more accessible to the general public.
- Educational conversations between the public and your members about their health needs.

Your members may use your x-acre facility and grounds as a benefit of membership. Your members may use your facility for the following professional purposes:

- Private practice
- Workshops
- Classes
- Seminars
- Continuing education
- Meetings

- Luncheons
- Benefits
- Administrative space
- Retail display or sales
- Art display or sales
- Cd release Concerts
- Musical performances
- Book signings
- Other professional purposes

You do not interfere in how members promote or price services or events. Members are always hosts, you do not help with clients, students, patients, or guests. Members must promote their own events. Members keep all the earnings and pay a space usage rate per their membership agreement.

All members may request an event be considered for a 50/50 split of all revenues with you in place of the standard hourly rate.

Your members may also use your facility for the following private, family and social events provided they use another member for their planning and catering needs:

- Weddings
- Rehearsal dinners
- Bridal showers
- Baby showers
- Baptisms
- Celebrations
- Social Luncheons
- Other personal uses

You allow the general public to visit Monday through Friday from 9am to 5pm for coffee, tea, free Wi-Fi, shop the retail spaces and enjoy the public outdoor space when not used for events.

You anticipate entering into a lease with D for the facility where you will conduct your activities. You also received a loan from D that accrues interest at the short term federal minimum rate.

You state you are funded entirely by memberships, private donations, and space usage fees. Your financial information shows revenues are almost exclusively from membership fees and gross receipts from rental income. Your expenses include salaries, occupancy, professional fees, décor, repair and maintenance, and other expenses.

Law

Section 501(c)(3) of the Code provides, in part, for the exemption from Federal income tax of organizations organized and operated exclusively for charitable, religious or educational purposes, no part of the net earnings of which inures to the benefit of any private shareholder or individual.

Treasury Regulation Section 1.501(c)(3)-1(a)(1) states that in order to qualify under Section 501(c)(3) of the

Code, an organization must be both organized and operated exclusively for one or more exempt purposes. If an organization fails to meet either the organizational or operational test, it is not exempt.

Treas. Reg. Section 1.501(c)(3)-1(c)(1) states 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 Section 501(c)(3) of the Code. An organization will not be so regarded if more than an insubstantial part of its activities is not in furtherance of an exempt purpose.

Treas. Reg. Section 1.501(c)(3)-1(d)(1)(ii) provides that an organization is not organized or operated exclusively for one or more exempt purposes under Section 501(c)(3) of the Code unless it serves a public rather a private interest. Thus, it is necessary for an organization to establish that it is not organized or operated for the benefit of private interests.

Treas. Reg. Section 1.501(c)(3)-1(d)(2) provides the term "charitable" is used in Section 501(c)(3) of the Code in its generally accepted legal sense and includes relieving the poor and distressed or the underprivileged, combating community deterioration, lessening neighborhood tensions, and eliminating prejudice and discrimination.

Treas. Reg. Section 1.501(c)(3)-1(d)(3)(i) provides that the term "educational," as used in Section 501(c)(3) of the Code, relates to the instruction of the public on subjects useful to the individual and beneficial to the community.

In Revenue Ruling 69-175, 1969-1 C.B. 149, an organization formed by parents of pupils attending a private school, that provides school bus transportation for its members' does not qualify for exemption under Section 501(c)(3) of the Code because when a group of individuals associate to provide a cooperative service for themselves, they are serving a private interest.

Revenue Ruling 69-572, 1969-2 C.B. 119, concluded that a nonprofit organization created to construct and maintain a building for the exclusive purpose of housing and serving member agencies exempt under Section 501(c)(3) of the Code is exempt under Section 501(c)(3). Because of the close connection between the organization and the charitable functions of the tenant-organizations and the rental of the facilities at rates substantially below fair rental value, the organization furthers the charitable purposes of the tenants. The organization primarily relied on charitable contributions from the public and loans from charitable organizations to pay expenses and costs.

In Revenue Ruling 71-395, 1971-2 C.B. 228, a cooperative art gallery was formed and operated by a group of artists for the purpose of exhibiting and selling their works and did not qualify for exemption under Section 501(c)(3) of the Code. It served the private purposes of its members, even though the exhibition and sale of paintings may be an educational activity in other respects.

Revenue Ruling 76-147, 1976-1 C.B. 151, states that an organization formed to improve conditions in an area of a city where the income level is higher and housing better than in other areas of the city and whose activities include providing general information on methods of counteracting housing deterioration and ways of improving homes may qualify for exemption under section 501(c)(3) of the Code

In Revenue Ruling 76-419, 1976-2 C.B. 146, an organization that purchased blighted land, developed it into an industrial park, and rented space in the park at favorable terms to industrial enterprises that would not ordinarily locate in the area, was held to be organized and operated for the charitable purpose of promoting social welfare, relieving the poor and distressed, and combating community deterioration. The organization required tenants to hire a significant number of presently unemployed persons and it required tenants to train workers in needed skills. Tenants that hired low skill workers were favored over those who had high initial job skill requirements.

Revenue Ruling 77-111, 1977-1 C.B. 144 involved two situations. In the first situation, an organization was formed to increase business patronage in a deteriorated area mainly inhabited by minority groups. It provided information to the public on the area's shopping opportunities, local transportation and accommodations. The ruling concluded that the primary purpose of the organization was to promote business, which was not an exempt purpose. As such, the organization did not qualify for exemption under Section 501(c)(3) of the Code. In the second situation, the organization's purpose was to revive retail sales in an area suffering from continued economic decline by constructing a retail shopping center. The organization purchased land, which it sold to the city at no profit. The city acquired additional land for the project. The city required that minorities be utilized in both the construction and the operation of the project. Stores located within the project were also required to employ a certain percentage of minority group employees. Nevertheless, the ruling concluded that the organization's activities resulted in major benefits accruing to the stores that will locate in the shopping center. The ruling concluded that the organization's activities were directed to benefit the businesses in the shopping center, rather than to accomplish exclusively 501(c)(3) purposes. Therefore, the organization did not qualify for exemption under Section 501(c)(3).

Revenue Ruling 77-366, 1977-2 C.B. 192 concluded that a nonprofit organization that arranges and conducts winter-time ocean cruises during which activities to further religious and educational purposes are provided in addition to extensive social and recreational activities is not operated exclusively for exempt purposes and does not qualify for exemption.

In Better Business Bureau of Washington, D.C., Inc. v. United States, 326 U.S. 179 (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. The Petitioner's activities were largely animated by non-exempt purposes directed fundamentally to ends other than that of education.

In Ginsberg v. Commissioner, 46 T.C. 47 (1966), the court considered a collective organization created to dredge waterways. The majority of the funds for this activity came from owners of property adjacent to the waterways. The court found that the primary beneficiaries were the adjacent property owners. Any benefit to the general public because these dredged waterways would be a safe harbor for boats during a storm was secondary. Therefore, the organization was not exempt because of the significant private benefit provided.

Application of law

To qualify for exemption under Section 501(c)(3) of the Code you must be both organized and operated exclusively for exempt purposes as described in Treas. Reg. Section 1.501(c)(3)-1(a)(1). Your operations primarily function to provide cooperative services for your members and therefore, function to serve the private interests of your members.

To satisfy the operational test under Treas. Reg. Section 1.501(c)(3)-1(c)(1), an organization must establish that it is operated exclusively for one or more exempt purposes. You were formed for the non-exempt purpose of operating a cooperative for members, including providing a facility for professional and personal purposes.

You are distinguishable from Treas. Reg Sections 1.501(c)(3)-1(d)(2) and 1.501(c)(3)-1(d)(3)(1). You do provide some charitable activities, such as providing non-profits with donated memberships, but this makes up approximately 5% of your membership and is not your exclusive purpose. Similarly, you have educational events, such as free health days where you educate the public on healthcare and full moon drummings to educate people on Native American traditions. However, these activities are only held occasionally and are not your exclusive purpose. Your operations and financial information demonstrate your primary purpose is operating as a co-op for members.

As held in Better Business Bureau of Washington, D.C., Inc. v. United States, a single non-exempt purpose, if substantial, will preclude tax exemption under Section 501(c)(3) of the Code. The operation of your cooperative, a substantial part of your activities, is a non-exempt purpose. Like Revenue Ruling 69-175, your members associate together to provide a cooperative service for themselves. To qualify for exemption under Section 501(c)(3) of the Code you must serve a public, rather than a private, interest as described in Treas. Reg. Section 1.501(c)(3)-1(d)(1)(ii).

As in Revenue Ruling 71-395, you are formed as a cooperative primarily for the benefit of your members. Your members are autonomous business owners and you do not interfere in member events. Your function is to create an infrastructure for a cooperative community. Members get benefits from joining you, including a resource network, promotion of events, ability to rent the facility for professional and personal events, and the ability to sell art or retail and keep all sales. Therefore, the cooperative nature of your membership serves a substantial private benefit to your members.

You are distinguishable from Revenue Ruling 76-147 because you are a membership organization operating as a cooperative. Even though your operations may result in benefit to the community, the primary beneficiaries of your operations are your members, who are mostly for-profit organizations. Thus, even if the operations of your members provide some benefit the community, you are not directly benefiting the community. Instead, your operations directly and substantially benefit your members and their for-profit operations. This substantial private benefit precludes exemption under Section 501(c)(3) of the Code.

You are not like the organization in Revenue Ruling 69-572. The majority of your members are for-profit organizations; you are not providing your facility to exclusively to entities exempt under Section 501(c)(3) of the Code. Additionally, you are almost entirely funded by membership fees and rental income from use of your facility. These fees collected pay for your operating costs, including the costs of operating your facility, salaries, and professional fees. This demonstrates that your services are not provided to charitable organizations, nor are they provided in a charitable manner.

You are not like the organization in Revenue Ruling 76-419. Your members are mostly for-profit organizations, and you do not require members to operate in a charitable manner, such as working to reduce unemployment by offering jobs to low skill workers or providing job training. You describe your members as practitioners, educators, artists and service providers, who are typically skilled professionals. Therefore, you are facilitating the improvement of existing businesses by offering a cooperative business network and facility usage, rather than improving the community as a whole.

You are like the organization in Revenue Ruling 77-111 because your activities primarily benefit your members instead of accomplishing exclusively charitable and educational purposes. Even though you will provide some educational benefits to the community through public events, your primary purpose is serving as a cooperative for members. This substantial private benefit to your members precludes exemption under Section 501(c)(3) of the Code.

Like the organization in Revenue Ruling 77-366, you are not operated for exclusively exempt purposes because your primary activity is operating a business cooperative. Even though you do have some educational and charitable programs, like public health screening days and donating memberships to non-profits, the purpose of providing a facility to members for both business and personal use and facilitating for-profits to conduct business is not exclusively educational or charitable. Therefore, you do not qualify for exemption under Section 501(c)(3) of the Code.

Similar to the organization described in Ginsberg v. Commissioner, the primary beneficiaries of your activities are your members. Any benefit the public receives through occasional education programs is secondary to the benefit members get from being able to use your facilities at reduced costs, having a network of businesses and business support, and having the opportunity to sell art or retail goods.

Your position

You state you are similar to the organizations in Revenue Ruling 69-572 and Revenue Ruling 71-529 because you provide a facility for rent substantially less than comparable rents for commercial facilities and you materially assist your members in the performance of the respective functions and bring substantial benefits to the users of the facility.

You provide a central place to enable your member tenants to facilitate effective coordination of their operations and services, which furthers a charitable purpose within the meaning of Section 501(c)(3) of the Code by serving as a collaborative consortium for your members.

You provide significant benefits to the general public that outweigh any private benefits to your members.

You are similar to the organization in Revenue Ruling 76-147 because the programs and activities conducted at the center will benefit the individuals participating in such programs and activities in the short term and the larger community and general public in the long term.

You are similar to the organization in Revenue Ruling 66-179, situation 1, because you will advance education and science which is charitable and education is provided through various means. You promote social welfare within the meaning of Section 501(c)(3) of the Code by advancing science and the education of those who participate in the programs and activities conducted at the Center.

You are similar to other organizations that were granted tax-exemption by the Internal Revenue Service under 501(c)(3) of the Code for providing instruction and training that included diverse activities such as counseling widows, dancing, marriage counseling, student exchange programs, counseling immigrants and training prisoners as noted in Revenue Rulings 65-270, 67-150, 70-640, 76-205, 78-99 and 80-286.

Our response to your position

You are not similar to the organizations in Revenue Ruling 69-572 and 71-529 because substantially all of your members are not exempt under Section 501(c)(3) of the Code. Your tenants are mostly for-profit organizations conducting commercial activities, not exclusively charitable activities. You are not funded by contributions. You are funded by membership fees and rental income from use of your facility. These fees collected pay for your costs, including the costs of your facility, salaries, and professional fees, demonstrating that your services are not provided substantially below cost. You are not providing essential functions for Section 501(c)(3) organizations like the organizations in Revenue Ruling 69-572 and Revenue Ruling 71-529. Your primary function is to provide a facility and a member cooperative to those who pay the membership fees and usage rates for access to the facility. This is not an exclusively charitable or educational purpose within the meaning of Section 501(c)(3).

You are not similar to the organization in Revenue Ruling 66-179, situation 1, as your primary activity is not directly carrying out programs that further exempt purposes under 501(c)(3) of the Code. Your educational programs are not your primary purpose; your primary purpose is providing a member cooperative to those who have paid your membership and usage rate fees. Even if your members provide charitable or educational activities themselves, your members are almost exclusively for-profit organizations. You have no requirements restricting business or personal activities conducted at your facility to only educational or charitable activities. Therefore, your primary purpose is furthering the operations of for-profit businesses, not educational or charitable activities.

You are not exclusively providing educational activities, such as counseling or training as noted in Revenue Rulings 65-270, 67-150, 70-640, 76-205, 78-99 and 80-286. Even though you have some educational activities, like free health screening days and education about Native Americans, you have the substantial purpose of operating a cooperative for your members. This benefit to your members, most who are for-profits, precludes you from exemption.

Conclusion

Based on the information submitted, we conclude that you are not an organization described in Section 501(c)(3) of the Code because you are not operated exclusively for one or more exempt purposes set forth in Section 501(c)(3).

If you don't agree

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

- Your name, address, employer identification number (EIN), and a daytime phone number
- A copy of this letter highlighting the findings you disagree with
- An explanation of why you disagree, including any supporting documents
- The law or authority, if any, you are relying on

- The signature of an officer, director, trustee, or other official who is authorized to sign for the organization, or your authorized representative
- One of the following declarations:

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

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

For authorized representatives:

Under penalties of perjury, I declare that I prepared this protest statement, including accompanying documents, and to the best of my knowledge and belief, the statement contains all relevant facts 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 he or she hasn'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 provided a basis for us to reconsider our determination. If so, we'll continue to process your case considering the information you provided. If you haven't provided a basis for reconsideration, we'll forward your case to the Office of Appeals and notify you. You can find more information about the role of the Appeals Office in Publication 892, *How to Appeal an IRS Decision on Tax-Exempt Status*.

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

Where to send your protest

Please send your protest statement, Form 2848, if needed, and any supporting documents to the applicable address:

U.S. mail:

Internal Revenue Service
EO Determinations Quality Assurance
Room 7-008
P.O. Box 2508
Cincinnati, OH 45201

Street address for delivery service:

Internal Revenue Service
EO Determinations Quality Assurance
550 Main Street, Room 7-008
Cincinnati, OH 45202

You can also fax your statement 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 he or she received it.

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.

You can find all forms and publications mentioned in this letter on our website at www.irs.gov/formspubs. If you have questions, you can contact the person listed at the top of this letter.

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

Enclosure:
Publication 892

cc: