



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

Date:  
05/13/2025  
Employer ID number:

Person to contact:

Release Number: 202532015  
Release Date: 8/8/2025  
UIL Code: 501.03-00, 501.03-04

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  
Letter 4038



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

Date:  
02/27/2025  
Employer ID number:

**Person to contact:**

Name:  
ID number:  
Telephone:  
Fax:

**Legend:**

X = Date  
Y = State  
Z = sport league  
S = Date  
V = Months

**UIL:**

501.03-00  
501.03-04

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 Section 501(c)(3) of the Internal Revenue Code.

You attest that you were formed on X, in the state of 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
- 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

On your Form 1023-EZ, you stated that you are a Z that organizes games in your community.

Detailed information was subsequently requested. Your Constitution shows you adopted it on S. Your Constitution states you are formed as a charitable organization with the objective to foster brotherhood and community through the game of soccer. Moreover, your Constitution states upon dissolution of your organization the remaining assets shall be turned over to any charity as approved by your Advisory Board.

You facilitate friendly soccer games between V every year. Local soccer teams pay your organization a registration fee. With the registration fee your organization secures fields, referees and other items required for local soccer teams to play recreational soccer. You merely require teams to be local, males over the age of 18, and pay the registration fee. You attest you do not foster national or international amateur sports and are intended for local teams for recreational soccer. Also, you attest you provide no educational coaching, and only member teams are eligible to participate.

## Law

Internal Revenue Code Section 501(c)(3) provides for the recognition of exemption of organizations that are organized and operated exclusively for charitable, educational, religious, 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.

IRC Section 501(j)(1) provides generally that a “qualified amateur sports organization” that otherwise satisfies the requirements of Section 501(c)(3) will qualify as exempt regardless of whether it provides athletic facilities or equipment and regardless of whether its membership is local or regional in nature.

IRC Section 501(j)(2) defines a “qualified amateur sports organization” as an organization organized and operated primarily to conduct or to support and develop amateur athletes for national or international competition in sports.

Treasury Regulation Section 1.501(c)(3)-1(a)(1) states that, in order 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(b)(1)(i) states an organization is organized exclusively for one or more exempt purposes only if its organizational document limits the purpose of such organization to one or more

exempt purposes. The organization's purposes, as stated in its organizational document, may be as broad as, or more specific than, the purposes stated in IRC Section 501(c)(3).

Treas. Reg. Section 1.501(c)(3)-1(c)(1) states 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 64-275, 1964-2 C.B. 142 held that an organization formed for the purpose of training gifted adults in the techniques of racing sailboats, and thereby improving the caliber of athletes representing the United States in Olympic and Pan-American games, qualifies for exemption as educational under IRC Section 501(c)(3).

Rev. Rul. 65-2, 1965-1 C.B. 227 describe an organization that is organized for the purpose of teaching sport to children under the age of 18. This organization held clinics by qualified instructors. This organization was recognized as exempt under IRC 501(c)(3) as exclusively charitable and educational.

Rev. Rul. 77-365, 1977-2 C.B. 192 held that an organization formed to conduct clinics, workshops, lessons and seminars at local parks and other recreational areas to instruct and educate individuals in a sport may qualify for exemption under IRC Section 501(c)(3).

Rev. Rul. 80-215, 1980-2 C.B. 174 describe an organization formed to develop, promote, and regulate a sport for youth under the ages of 18. Additionally, it promulgated rules, organized officials, and presented seminars for players and coaches. This organization was deemed to combat juvenile delinquency by providing recreational activities to young people, a charitable purpose described in IRC Section 501(c)(3).

In Media Sports League, Inc. v. Commissioner, T.C. Memo 1986-568 (1986), the court ruled that an organization that sponsored sports competitions for adults in the community was not exempt under IRC Section 501(c)(3). The court determined that the organization had a substantial nonexempt purpose of promoting social and recreational activities.

### **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 fail both tests.

Your Constitution states you formed as a charitable, non-profit organization with the objective of fostering brotherhood and community through the game of soccer. Because your Articles of Incorporation do not limit your purposes to those described in Treas. Reg. Section 1.501(c)(3)-1(b)(1)(i), you fail the organizational test under IRC Section 501(c)(3).

You do not meet the operational test under IRC 501(c)(3) because you are not operated exclusively for exempt purposes as required by Treas. Reg. Section 1.501(c)(3)-1(c)(1) as explained below.

An organization conducting a sport for adults may qualify for exemption under IRC Section 501(c)(3) if its activities are directed towards the instruction of teaching of a sport as in Rev. Rul. 64-275 and Rev. Rul. 77-

365. But unlike those organizations you are not providing training to prepare individuals for national or international competitions. You only provide a place to play, referee and other miscellaneous services required to play recreational soccer. You provide no instructional training to any individuals.

An organization directing its activities to youth participants under the age of 18 may qualify for exemption under IRC Section 501(c)(3). You are unlike the organizations describe in Rev. Rul. 65-2 and Rev. Rul. 80-215 because you direct 100% of your activities to adults over the age of 18. You are similar to the organization in Media Sports League, Inc. v. Commissioner that focused its recreational activities towards adults and was denied exemption under Section 501(c)(3).

Finally, you are not participating in any national or international competitions or developing athletes to participate in these amateur competitions. Only organizations whose primary purpose is to support the development of amateur athletes qualifies for exemption under IRC Section 501(j). You do not train athletes, and those individuals participating in the soccer games are not required to have a certain skill level. Your primary purpose is to provide an environment for individuals to play recreation soccer. Therefore, because your league play is local and primarily recreational in nature you do not meet the requirements for an amateur athletic organization that would qualify under Section 501(j)(1) or 501(j)(2)

### **Conclusion**

You do not meet the organizational test because your organizing document does not limit your purposes to those in IRC Section 501(c)(3) or dedicate remaining assets upon dissolution to one or more exempt purposes described in Section 501(c)(3). You also do not meet the operational test because your social activities are not described in Section 501(c)(3). Accordingly, you do not qualify for exemption under 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.

Sincerely,

Stephen A. Martin  
Director, Exempt Organizations  
Rulings and Agreements