



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

Date:
06/26/2025
Employer ID number:

Form you must file:

Tax years:

Person to contact:

Release Number: 202538031
Release Date: 9/19/2025
UIL Number: 501.00-00, 501.03-00, 501.03-30

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.

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**

Date:
05/06/2025
Employer ID number:

Person to contact:

Name:
ID number:
Telephone:
Fax:

Legend:

D = Date
E = State
F = sport
x dollars = dollar range
y dollars = dollar range
z dollars = dollar amount

UIL:

501.00-00
501.03-00
501.03-30

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 incorporated on D, in the state of E. 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 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 IRC 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 insubstantially 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

You are a F umpire association that provides umpires for F games. Additionally, you provide education and training to your members.

Detailed information was subsequently requested. You provided additional information about your activities.

You will assign umpires to various F matches based on criteria such as qualifications, experiences, the nature of the matches or tournaments, individual development plans, and availability. Payment for your umpires are paid based on agreements with the various F leagues and tournaments. Factors that determine the payment for each umpire include the duration of the match. You primarily umpire years old and over matches, and years old and over matches. For years old and over matches, an umpire earns between x dollars, while for years old and over matches, an umpire earns between y dollars.

You state your members play a crucial role in overseeing the game of F and ensuring that it is conducted by the laws of the game. Your umpire's duties are wide-ranging and include both on-field decisions and game management tasks. Your umpires ensure players follow the spirit of the game, play the game within game laws, and intervene in cases of unfair play.

You will recruit new umpires, prepare them to officiate matches and provide ongoing education to ensure your members stay updated on the laws and regulations of the sport. Anyone can become a member who is interested in learning the laws of F and wanting to become a F umpire. Your membership fee is z dollars which is determined by your board and based on the cost of the umpire uniform you provide to your members.

You advertise your services and membership benefits through word of mouth and direct contact with local F leagues. You are currently in the process of developing a website and are also planning to utilize social media.

You aim to continuously train your members on F laws and regulations to keep them updated. During the 3 months off season, you conduct in person or virtual training sessions - hours a week. During the season, your members spend - hours on weekends umpiring games. Your members are considered certified once they complete your exams which takes years to complete.

Two of your members have been selected to umpire international F games and you are working on preparing your members for the . Additionally, many of your members participate in national-level competitions.

Law

IRC Section 501(c)(3) provides for the recognition of exemption of organizations that are organized and operated exclusively for religious, charitable, 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)(2) provides that an amateur sports organization which is organized and operated exclusively to foster national or international amateur sports competition may qualify for exemption from federal income taxes if such organization is also organized and operated primarily to conduct national or international competition in sports or to support and develop amateur athletes for national or international competition in such sports.

Treasury Regulation Section 1.501(c)(3)-1 (a)(1) provides 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(c)(1) provides 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 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.

Treas. Reg. Section 1.501(c)(3)-1(d)(1)(ii) provides an organization is not organized or operated exclusively for exempt purposes unless it serves a public rather than a private interest.

Treas. Reg. Section 1.501(c)(3)-1(d)(3)(i) provides that the term "educational," as used in IRC Section 501(c)(3), relates to the instruction or training of the individual for the purpose of improving or developing his/her capabilities or the instruction of the public on subjects useful to the individual and beneficial to the community.

Revenue Ruling 61-170, 1961-2 C.B. 112, held that an association composed of professional private duty nurses and practical nurses which supported and operated a nurses' registry primarily to afford greater employment opportunities for its members was not entitled to exemption under IRC Section 501(c)(3). Although the public received some benefit from the organization's activities, the primary benefit of these activities was to the organization's members.

Rev. Rul. 80-215, 1980-2 C.B. 174, described an organization that was formed to develop, promote, and regulate a sport for individuals under 18 years of age by organizing local and statewide competitions, promulgating rules, organizing officials, presenting seminars, distributing a newsletter, and otherwise encouraging growth of the sport qualified for exemption under IRC Section 501(c)(3).

In Better Business Bureau of Washington D.C., v. United States, 326 U.S. 279 (1945), the Supreme Court stated that the presence of a single nonexempt purpose, if substantial in nature, will preclude exemption under Section 501(c)(3), regardless of the number or importance of statutorily exempt purposes.

Application of law

IRC Section 501(c)(3) and Treas. Reg. Section 1.501(c)(3)-1(a)(1) set forth two main tests to qualify for exempt status. An organization must be both organized and operated exclusively for purposes described in Section 501(c)(3). Furthermore, Treas. Reg. Section 1.501(c)(3)-1(c)(1) states that to be operated exclusively for one or more exempt purposes, an organization must engage primarily in activities that accomplish one or more exempt purposes specified in Section 501(c)(3). An organization is not organized or operated exclusively for one or more exempt purposes described in Section 501(c)(3) unless it serves a public rather than a private interest. See Treas. Reg. Section 1.501(c)(3)-1(d)(1)(ii).

You are like the organization described in Rev. Rul. 61-170 that was denied exemption under IRC Section 501(c)(3) because your primary purpose is to afford greater employment to your members. You do have some educational purposes, as described in Treas. Reg. Section 1.501(c)(3)-1(d)(3)(i) and you promote national or international competition, as described in IRC Section 501(j)(2), however, these purposes are incidental to the primary purpose of serving your members' private interests by providing better employment opportunities. You negotiate with F leagues and tournaments to place your umpires in matches where they are paid compensation based on various factors. Most of your members' time is spent providing umpire services for a fee.

You are not like the organization described in Rev. Rul. 80-215 that was granted exemption under IRC Section 501(c)(3) because you are not promoting youth sports. Your umpires get paid to officiate twenty years old and over matches and forty years old and over matches. Furthermore, even if you were officiating youth sports, you still would be substantially furthering your members' private interests by providing F leagues and tournaments with umpires who earn compensation for their work.

You are like the organization described in Better Business Bureau of Washington D.C. because although your activities further educational, and fostering national and international purposes, your substantial purpose of furthering the private interests of your members precludes you from being granted exemption under IRC Section 501(c)(3).

Conclusion

You fail the operational test because your activities further a substantial non-exempt purpose of furthering the private interests of your members who get paid to be umpires in F matches. Any educational or fostering of national or international competition is incidental to your primary non-exempt purpose. Therefore, you do not qualify for exemption under IRC 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 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 or call 877-777-4778.

Sincerely,

Stephen A. Martin
Director, Exempt Organizations
Rulings and Agreements