



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

Date:
June 25, 2025
Taxpayer ID number (last 4 digits):

Form:

Tax periods ended:

Release Number: 202538035
Release Date: 9/19/2025
UIL Number: 501.03-00

Person to contact:
Name:
ID number:
Telephone:
Fax:
Last day to file petition with United States
Tax Court:
September 23, 2025

CERTIFIED MAIL - Return Receipt Requested

Dear :

Why we are sending you this letter

This is a 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), effective . Your determination letter dated , is revoked.

Our adverse determination as to your exempt status was made for the following reasons: You failed to establish that you're organized and operated exclusively for one or more of the purposes specified in Internal Revenue Code (IRC) Section 501(c)(3). Therefore, the organization does not meet the operational test. You did not respond to our multiple requests; we did not receive any records from you. Therefore, we are unable to determine you meet the organizational test. If an organization fails to meet either the organizational test or the operational test, it is not exempt. Given the above, your organization fails to meet IRC Section 501(c)(3) because it does not meet the organizational and operational tests.

Organizations that are not exempt under IRC Section 501 generally are required to file federal income tax returns and pay tax, where applicable. For further instructions, forms and information please visit **IRS.gov**.

Contributions to your organization are no longer deductible under IRC Section 170.

What you must do if you disagree with this determination

If you want to contest our final determination, you have 90 days from the date this determination letter was mailed to you to file a petition or complaint in one of the three federal courts listed below.

How to file your action for declaratory judgment

If you decide to contest this determination, you can file an action for declaratory judgment under the provisions of Section 7428 of the Code in either:

- The United States Tax Court,
- The United States Court of Federal Claims, or
- 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. You can download a fillable petition or complaint form and get information about filing at each respective court's website listed below or by contacting the Office of the Clerk of the Court at one of the addresses below. Be sure to include a copy of this letter and any attachments and the applicable filing fee with the petition or complaint.

You can eFile your completed U.S. Tax Court petition by following the instructions and user guides available on the Tax Court website at ustaxcourt.gov/dawson.html. You will need to register for a DAWSON account to do so. You may also file your petition at the address below:

United States Tax Court
400 Second Street, NW
Washington, DC 20217
ustaxcourt.gov

The websites of the U.S. Court of Federal Claims and the U.S. District Court for the District of Columbia contain instructions about how to file your completed complaint electronically. You may also file your complaint at one of the addresses below:

US Court of Federal Claims
717 Madison Place, NW
Washington, DC 20439
uscfc.uscourts.gov

US District Court for the District of Columbia
333 Constitution Avenue, NW
Washington, DC 20001
dcd.uscourts.gov

Processing of income tax returns and assessments of any taxes due will not be delayed if you file a petition for declaratory judgment under IRC Section 7428.

The IRS office whose phone number appears at the top of the notice can best address and access your tax information and help get you answers. However, you may be eligible for free help from the Taxpayer Advocate Service (TAS) if you can't resolve your tax problem with the IRS or if you believe an IRS procedure just isn't working as it should. TAS is an independent organization within the IRS that helps taxpayers and protects taxpayer rights. Visit TaxpayerAdvocate.IRS.gov/contact-us or call 877-777-4778 (TTY/TDD 800-829-4059) to find the location and phone number of your local advocate. Learn more about TAS and your rights under the Taxpayer Bill of Rights at TaxpayerAdvocate.IRS.gov. Do not send your Tax Court petition to TAS. Use the Tax Court address provided earlier in the letter. Contacting TAS does not extend the time to file a petition.

Where you can find more information

Enclosed are Publication 1, Your Rights as a Taxpayer, and Publication 594, The IRS Collection Process, for more comprehensive information.

Find tax forms or publications by visiting IRS.gov/forms or calling 800-TAX-FORM (800-829-3676). If you have questions, you can call the person shown at the top of this letter.

If you prefer to write, use the address shown at the top of this letter. Include your telephone number, the best time to call, and a copy of this letter.

You may fax your documents to the fax number shown above, using either a fax machine or online fax service. Protect yourself when sending digital data by understanding the fax service's privacy and security policies.

Keep the original letter for your records.

Sincerely,

Lynn A. Brinkley
Director, Exempt Organizations Examinations

Enclosures:
Publication 1
Publication 594
Publication 892



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

[Redacted]

[Redacted]

Date:
02/28/2025

Taxpayer ID number:

[Redacted]

Form:

[Redacted]

Tax periods ended:

[Redacted]

Person to contact:

Name:

ID number:

Telephone:

Fax:

Manager's contact information:

Name:

ID number:

Telephone:

Response due date:

03/31/2025

CERTIFIED MAIL – Return Receipt Requested

Dear [Redacted]:

Why you're receiving this letter

We enclosed a copy of our audit report, Form 886-A, Explanation of Items, explaining that we propose to revoke your tax-exempt status as an organization described in Internal Revenue Code (IRC) Section 501(c)(3).

If you agree

If you haven't already, please sign the enclosed Form 6018, Consent to Proposed Action, and return it to the contact person shown at the top of this letter. We'll issue a final adverse letter determining that you aren't an organization described in IRC Section 501(c)(3) for the periods above.

After we issue the final adverse determination letter, we'll announce that your organization is no longer eligible to receive tax deductible contributions under IRC Section 170.

If you disagree

1. Request a meeting or telephone conference with the manager shown at the top of this letter.
2. Send any information you want us to consider.
3. File a protest with the IRS Appeals Office. If you request a meeting with the manager or send additional information as stated in 1 and 2, above, you'll still be able to file a protest with IRS Appeals Office after the meeting or after we consider the information.

The IRS Appeals Office is independent of the Exempt Organizations division and resolves most disputes informally. If you file a protest, the auditing agent may ask you to sign a consent to extend the period of limitations for assessing tax. This is to allow the IRS Appeals Office enough time to consider your case. For your protest to be valid, it must contain certain specific information, including a statement of the facts, applicable law, and arguments in support of your position. For specific information needed for a valid protest, refer to Publication 892, How to Appeal an IRS Determination on Tax-Exempt Status.

Fast Track Mediation (FTM) referred to in Publication 3498, The Examination Process, generally doesn't apply now that we've issued this letter.

4. Request technical advice from the Office of Associate Chief Counsel (Tax Exempt Government Entities) if you feel the issue hasn't been addressed in published precedent or has been treated inconsistently by the IRS.

If you're considering requesting technical advice, contact the person shown at the top of this letter. If you disagree with the technical advice decision, you will be able to appeal to the IRS Appeals Office, as explained above. A decision made in a technical advice memorandum, however, generally is final and binding on Appeals.

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 adverse determination letter.

Contacting the Taxpayer Advocate Office is a taxpayer right

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 www.taxpayeradvocate.irs.gov or call 877-777-4778.

Additional information

You can get any of 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 shown at the top of this letter.

Sincerely,

A black rectangular box redacting the signature of the Group Manager.

Group Manager

Enclosures:

Form 886-A

Form 6018

Form 4621-A

Publications 1, 892, & 3498

Form 886-A (May 2017)	Department of the Treasury - Internal Revenue Service Explanation of Items	Schedule number or exhibit
Name of taxpayer [REDACTED]	Tax Identification Number (last 4 digits) [REDACTED]	Year/Period ended [REDACTED]

Issue:

Whether the organization [REDACTED] which qualified for exemption from Federal income tax under Section 501(c)(3) of the Internal Revenue Code, should be revoked due to failing to respond and produce records to substantiate that the organization is meeting the organizational and operational tests?

Facts:

[REDACTED] applied for tax-exempt status by filing the Form 1023-EZ, *Streamlined Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code*, on [REDACTED]. In a determination letter dated [REDACTED], the Internal Revenue Service granted the organization tax-exempt status as a 501(c)(3) organization, with an effective date of [REDACTED].

An organization exempt under 501(c)(3) needs to be organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary or educational purposes and to foster national and amateur sports competition.

Articles of Incorporation shows the organization [REDACTED] was incorporated under state of [REDACTED] on [REDACTED].

Section 501(c)(3) requires that an organizing document must limit your purposes to one or more exempt purposes within section 501(c)(3). The organization attested that their organizing document contains this limitation.

The organization attested that their organizing document contains the dissolution provision required under Section 501(c)(3) or that they did not need an express dissolution provision in your organizing document because they rely on the operation of state law in the state in which you are formed for your dissolution provision.

The state of [REDACTED] does require a dissolution provision.

The organization was selected for audit to ensure that the activities and operations align with their approved exempt status.

The initial Information Document Request (IDR) was issued on [REDACTED], with a response due date of [REDACTED]. The information was requested to verify the accuracy of the filed Form 990-N, *Electronic Notice (e-Postcard) for Tax-Exempt Organizations Not Required to File Form 990 or Form 990-EZ*, for the tax period ended [REDACTED] and to determine whether the organization:

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- Is organized and operates in accordance with Internal Revenue Code (IRC) Section 501(c)(3).
- Has income subject to tax as unrelated business income under IRC sections 511 – 514.
- Has properly filed all required information and tax returns.
- Is eligible to file Form 990-N, *Electronic Notice (e-Postcard) for Tax-Exempt Organizations Not Required to File Form 990 or 990-EZ*.
- Continues to qualify for exemption with foundation status classification under IRC Section 509(a)(2).

The organization failed to respond to any of the requested information or attempts to obtain information to perform an examination of Form 990-N for the tax year ending [REDACTED].

Letter 5077-B, *TE/GE IDR Delinquency Notice*, with Form 4564, *Information Document Request*, was mailed certified to the organization, on [REDACTED], with a response date of [REDACTED].

Following several attempts to reach the organization and its president, Another Letter 5077-B was mailed certified to the organization's president supplied address, on [REDACTED], with a response due date of [REDACTED].

The Administrative File included:

- Form 1023-EZ, *Application of Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code*
- Letter 947, *501(c)(3) Exemption with Definitive Ruling of Public Charity Status*.
- Form 990-N, *Electronic Notice (e-Postcard) for Tax-Exempt Organizations Not Required to File Form 990 or Form 990-EZ, for the tax period ended* [REDACTED]
- Articles of Incorporation for a Nonprofit Corporation, *filed pursuant to § 7-122-101 and § 7-122-102 of the* [REDACTED] *Revised Statutes (C.R.S.)*

As of [REDACTED], per the State of [REDACTED] website, it lists the organizations status as in existence, but noncompliant.

As [REDACTED], the organization has not responded or produced any records to substantiate that organized and operated exclusively for charitable or educational purposes is exempt from Federal income tax, provided no part of its net earnings inures to the benefit of any private shareholder or individual.

Law:

Internal Revenue Code (IRC) § 501(c)(3) of the Code provides that an organization organized and operated exclusively for charitable or educational purposes is exempt from Federal income tax, provided no part of its net earnings inures to the benefit of any private shareholder or individual.

IRC § 511 of the Internal Revenue Code imposes a tax at corporate rates under section 11 on the unrelated

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business taxable income of certain tax-exempt organizations.

IRC § 6001 of the Code provides that every person liable for any tax imposed by this title, or for the collection thereof, shall keep such records, render such statements, make such returns, and comply with such rules and regulations as the Secretary may from time to time prescribe. Whenever in the judgment of the Secretary it is necessary, he may require any person, by notice served upon such person or by regulations, to make such returns, render such statements, or keep such records, as the Secretary deems sufficient to show whether or not such person is liable for tax under this title.

IRC § 6033(a)(1) of the Code provides, except as provided in section 6033(a)(2), every organization exempt from tax under section 501(a) shall file an annual return, stating specifically the items of gross income, receipts and disbursements, and such other information for the purposes of carrying out the internal revenue laws as the Secretary may by forms or regulations prescribe, and keep such records, render under oath such statements, make such other returns, and comply with such rules and regulations as the Secretary may from time to time prescribe.

Treasury Regulations (Regulation) 1.501(c)(3)-1 In order to be exempt under § 501(c)(3) the organization must be both organized and operated exclusively for one or more of the purposes specified in the section. (religious, charitable, scientific, testing for public safety, literary or educational).

Regulation § 1.501(c)(3)-1(a)(1) of the regulations states that in order to be exempt as an organization described in 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.

Regulation § 1.501(c)(3)-1(c)(1) of the regulations provides that an organization will not be regarded as "operated exclusively" for one or more exempt purposes described in section 501(c)(3) of the Code if more than an insubstantial part of its activities is not in furtherance of a 501(c)(3) purpose. Accordingly, the organization does not qualify for exemption under section 501(c)(3) of the Code.

Regulation § 1.6001-1(c) of the Code provides that such permanent books and records as are required by paragraph (a) of this section with respect to the tax imposed by section 511 on unrelated business income of certain exempt organizations, every organization exempt from tax under section 501(a) shall keep such permanent books of account or records, including inventories, as are sufficient to show specifically the items of gross income, receipts and disbursements. Such organizations shall also keep such books and records as are required to substantiate the information required by section 6033. See section 6033 and § 1.6033-1 through 1.6033-3

Regulation § 1.6001-1(e) of the Code provides that the books or records required by this section shall be kept at all times available for inspection by authorized internal revenue officers or employees and shall be retained

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as long as the contents thereof may be material in the administration of any internal revenue law.

Regulation § 1.6033-1(h)(2) of the regulations provides that every organization which has established its right to exemption from tax, whether or not it is required to file an annual return of information, shall submit such additional information as may be required by the district director for the purpose of enabling him to inquire further into its exempt status and to administer the provisions of subchapter F (section 501 and the following), chapter 1 of the Code and section 6033.

Regulation § 1.6033-2(a)(1) of the Regulations provides, in part, that, except for certain exceptions not here applicable, every organization exempt from taxation under section 501(a) shall file an annual information return specifically setting forth its items of gross income, gross receipts and disbursements, and such other information as may be prescribed in the instructions issued with respect to the return.

Regulation § 1.6033-2(i)(2) of the 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 exempt status and administering the provisions of subchapter F, chapter 1 of subtitle A of the Code, section 6033, and chapter 42 of subtitle D of the Code.

Regulation § 1.61-1 of the regulations provides that Gross income means all income from whatever source derived, unless excluded by law. Gross income includes income realized in any form, whether in money, property, or services. Income may be realized, therefore, in the form of services, meals, accommodations, stock, or other property, as well as in cash.

Revenue Ruling 58-617, 1958-2 CB 260, Rulings and determinations letters granting exemption from federal income tax to an organization described in section 501(a) of the Internal Revenue Code of 1954, to which contributions are deductible by donors in computing their taxable income in the manner and to the extent provided by section 170 of the Code, are effective only so long as there are no material changes in the character of the organization, the purposes for which it was organized, or its methods of operation. Failure to comply with this requirement may result in serious consequences to the organization for the reason that the ruling or determination letter holding the organization exempt may be revoked retroactively to the date of the changes affecting its exempt status, depending upon the circumstances involved, and subject to the limitations on retroactivity of revocation found in section 503 of the Code.

Rev. Rul. 59-95, 1959-1 C.B. 627, concerns an exempt organization that was requested to produce a financial statement and statement of its operations for a certain year. However, its records were so incomplete that the organization was unable to furnish such statements. The Service held that the failure or inability to file the required information return or otherwise to comply with the provisions of section 6033 of the Code and the regulations which implement it, may result in the termination of the exempt status of an organization previously held exempt, on the grounds that the organization has not established that it is observing the

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conditions required for the continuation of exempt status.

In Shapiro v. Commissioner, 40 T.C. 34 (1963) the tax court stated: "The burden of proof is of course, upon the petitioner, and if there should be a gap in the record, it may not be presumed that any missing facts are favorable to him." Indeed, it has even been stated that a "well founded doubt is fatal to the claim." Estate of Bowers v. Commissioner, 94 T.C. 582 (1990); Butka v. Commissioner, 91 T.C. 110 (1998) aff'd without published opinion 886 F.2d 442 (D.C. Cir. 1989).

In Community Education Foundation v. Commissioner, T.C. Memo 2016-223, the Tax Court held that Community Education Foundation, no longer qualified for exemption from Federal income tax under section 501 (a) because it did not meet the operational test requirements for a section 501(c)(3) organization. Specifically, the organization over time did not meaningfully organize or allocate resources to any of its activities mentioned in its application for exemption.

In Salvation Navy v. Commissioner, T.C. Memo 2002-275 (2002), the court found that one of the reasons why the organization did not qualify for exemption from federal income tax was because it could not provide that its net earnings would not inure to the benefit of a private individual which was its founder.

Organization's Position:

No written response or follow up provided to any correspondences from the Internal Revenue Service to establish that they are organized and operated exclusively for one or more of the purposes specified in section 501(c)(3).

Government Position:

In accordance with the above-cited provisions of the Code, 501(c)(3) organization recognized as exempt from federal income tax must be both organized and operated exclusively for one or more of the purposes specified in such section, and will not be regarded as "operated exclusively" for one or more exempt purposes described in section 501(c)(3) of the Code if more than an insubstantial part of its activities is not in furtherance of a 501(c)(3) purpose.

The organization has taken the position that they are organized and operated exclusively for one or more of the purposes specified in section 501(c)(3). However, the organization has failed to respond to any of the information requested during the course of examination to establish that its organized and operated exclusively for one or more of the purposes specified in section 501(c)(3).

Despite the significant efforts to locate and contact the organization and its president between [REDACTED] and to this date, both in writing and verbal, including discussing the fact that failure to respond will result in proposed adverse determination, the organization didn't follow up or respond.

Form 886-A (May 2017)	Department of the Treasury - Internal Revenue Service Explanation of Items	Schedule number or exhibit
Name of taxpayer [REDACTED]	Tax Identification Number (last 4 digits) [REDACTED]	Year/Period ended [REDACTED]

Based on the above facts, [REDACTED] failed to establish that its organized and operated exclusively for one or more of the purposes specified in section 501(c)(3). No information provided to substantiate that they are organized and operated exclusively for one or more of the purposes specified in IRC § 501(c)(3). Therefore, the organization does not meet the operational test.

Other than the limited information publicly available in the State of [REDACTED] website, no Bylaws, internal control information, board members involvement, or meeting minutes were received from the organization. Therefore, we are unable to determine the organization meets the organizational test.

If an organization fails to meet either the organizational test or the operational test, it is not exempt.

Using the above rationale, the organization's failure to meet the organizational and operational tests should result in revocation of their 501(c)(3) exempt status.

Conclusion:

Based on the foregoing reasons, the organization does not qualify for exemption under section 501(c)(3) and its tax-exempt status should be revoked.

It is the IRS's position that [REDACTED] failed to establish that it meets the organizational and operations tests, under IRC § 501(c)(3), required for the continuation of its exempt status. Accordingly, the organization's exempt status is revoked effective [REDACTED].