NO PROTEST RECEIVED
Release copies to District
Date 11/17/98
Surname [redacted]

[redacted]

OP:E:EO:T:4

SEP 29 1998

Dear Applicant:

We have considered your application for recognition of exemption under section 501(c)(4) of the Internal Revenue Code.

The information submitted indicates that you were incorporated on [redacted], under the laws of [redacted].

Your primary activity, as represented in your exemption application, is to "hold title to approximately [redacted] of pristine undeveloped forest land located in [redacted]. The corporation was formed to preserve this land in its natural state, to protect the environment and ecology of this land so that the members of the corporation could enjoy recreation of its natural resources." You propose to accomplish the aforementioned through the operation of a homeowners association.

[redacted] states that your purpose is "to maintain the [redacted] property in the [redacted]." [redacted] indicates that membership in the organization is limited to present and future members' of [redacted]. You indicate that all [redacted] have cabins on your land.

Information submitted in support of your application indicates that the land is posted with no trespassing signs. Moreover, you have represented, in a letter dated [redacted] that the land is not available to the general public, even though people from the general public use it for hunting and fishing without your permission.

Section 501(c)(4) of the Code provides for the exemption from federal income tax of civic leagues or organizations not organized for profit but operated exclusively for the promotion of social welfare.

Section 1.501(c)(4)-1(a)(2)(i) of the Income Tax Regulations provides that an organization is operated exclusively for the promotion of social welfare if it is primarily engaged in promoting in some way the common good and general welfare of the

[redacted]

community. An organization embraced within this section is one that is operated primarily for the purpose of bringing about civic betterments and social improvements.

It is well settled in the law of tax exempt organizations that an organization operated essentially for the private interest of its members is not primarily engaged in activities for the common good and general welfare of the people of the community.

In your case, you limit access to the land for the recreational use of [redacted] That the land is not available to the general public is reflected in the fact that no trespassing signs are posted, even though people from the general public use it for hunting and fishing without your permission. Consequently, you primarily serve the private interests of [redacted] as opposed to primarily promoting social welfare.

Based on the facts as represented and the information contained in the administrative file, we have concluded that you are not operated exclusively for the promotion of social welfare within the meaning of section 501(c)(4) of the Code.

You have the right to protest this ruling if you believe it is incorrect. To protest, you should submit a statement of your views, with a full explanation of your reasoning. This statement, signed by one of your officers, must be submitted in within 30 days from the date of this letter. You also have a right to a conference in this office after your statement is submitted. You must request the conference, if you want one, when you file your protest statement. If you are to be represented by some one who is not one of your officers, that person will need to file a proper power of attorney and otherwise qualify under our Conference and Practice Requirements.

If we do not hear from you within 30 days, this ruling will become final and copies will be forwarded to the District Director. Thereafter, any questions about your federal income tax status, including questions concerning reporting requirements, please contact your key District Director.

When submitting additional letters with respect to this case to the Internal Revenue Service, you will expedite their receipt by placing the following symbols on the envelope: OP:E:EO:T:4, Room 6234. These symbols do not refer to your case but rather to its location.

[redacted]

Sincerely,

Gerald V. Sack

Gerald V. Sack
Chief, Exempt Organizations
Technical Branch 4

cc: [redacted]

[illegible] :T:4 [redacted] 9/20/98	OP:E:EO:T:4 [redacted] 9-29-98		