

[Redacted]

Person to Contact: [Redacted]

Telephone No.: [Redacted]

Refer Reply to: [Redacted]

Date: 20 FEB 1985

Dear Applicant:

We have considered your application for recognition of exemption from Federal Income Tax under Section 501(c)(3) of the Internal Revenue Code of 1954.

The information submitted discloses that you were incorporated on [Redacted] under the nonprofit corporation laws of the State of [Redacted].

Your Articles of Incorporation state "The purpose for which the Corporation is formed is that we need a charter for a group meetings (sic) of religious people to hold church services in a building to promote the Love of God". Your activities as described in Form 7023 state "The organization is in the process of finding a building to rent to perform religious service before it becomes fully operational. At present time there are no activities being performed. When the church becomes fully operational services performed will be to promote the love of God to mankind. Marriage ceremony, funeral services." Your officers are [Redacted] (President/Director) [Redacted] (Vice-President/Director) [Redacted] (Secretary/Director) [Redacted] (Treasurer/Director), [Redacted] (Director) and [Redacted] (Director). In response to a developmental letter dated [Redacted] you stated that at present you have no permanent place of worship but are using the home in which two of your officers reside. You have no members, conduct no services, have not as yet established a Sunday school and to date have received no contributions other than funds expended by [Redacted] to form the corporation and pay legal fees. You have provided no literature, bulletins, pamphlets or other forms of advertising which would inform the public of your services, programs or other functions.

20 FEB 1985
LETTER
MAILED

	Initiator	Reviewer	Reviewer	Reviewer	Reviewer	Reviewer
to	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	
date	2-4-85	2/5/85	2/17/85	2/12/85	2/12/85	

In order to fulfill its associational role, as a minimum, a church includes a body of believers or communicants that assemble regularly in order to worship. Unless the organization is reasonably available to the public in its conduct of worship it cannot fulfill this role.

Section 501(c)(3) of the Code provides for the exemption from Federal Income Tax of corporations organized and operated exclusively for religious, charitable, literary, scientific, and educational purposes; no part of the net earnings of which inures to any private shareholder or individual.

Section 1.501(c)(3)-1 of the Tax Regulations relates to the definition of the organization and operation of organizations described in Section 501(c)(3). It is quoted in part, as follows:

"(a) Organizational and operational tests. (1) 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. (2) The term "exempt purpose or purposes", as used in this section, means any purpose or purposes specified in Section 501(c)(3)...."

"(b) Operational test (1) Primary activities. 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). An organization will not be so regarded if more than an insubstantial part of its activities is not in furtherance of an exempt purpose. (2) Distribution of earnings. An organization is not operated exclusively for one or more exempt purposes if its net earnings inure in whole or in part to the benefit of private shareholders or individuals...."

Section 1.501(c)(3)-1(a) of the Income Tax Regulations provides that in order to be exempt as an organization described in Section 501(c)(3), the organization must be one that is both organized and operated exclusively for one or more of the purposes specified in that section. If an organization fails to meet either organizational or the operational test it is not exempt.

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Section 1.501(c)(3)-1(d)(1)(ii) of the Income Tax Regulations provides that an organization is not organized and operated exclusively for exempt purposes unless it serves a public rather than a private interest. Thus, it is necessary for an organization seeking exemption under Section 501(c)(3) to establish that it is not organized or operated for the benefit of private interests such as designated individuals, the creator or his family, shareholders of the organization, or persons controlled, directly or indirectly, by such private interests.

You have not established that you have regular religious services serving a congregation within the ordinary meaning of the word. Further, you are not served by an organized ministry nor do you provide religious education for the young. In addition, you do not have a definite and distinct ecclesiastical government, a formal code of doctrine and discipline, a distinct religious history, a membership not associated with any other church or denomination, an organization of ordained ministers, ordained ministers selected after completing prescribed studies, a literature of your own, or schools for the preparation of your ministers.

We wish to call your attention to Revenue Procedure 80-25, 1980-1 C.B. 667 which reads, in part, as follows:

Section 5 Exempt status will be recognized in advance of operations if proposed operations can be described in sufficient detail to permit a conclusion that the organization will clearly meet the particular requirement of the section under which exemption is claimed. A mere restatement of purposes or a statement that proposed activities will be in furtherance of such purposes will not satisfy this requirement. The organization must fully describe the activities in which it expects to engage, including the standards, criteria, procedures, or other means adopted or planned for carrying out the activities; the anticipated source of receipts; and the nature of completed expenditures. Where the organization cannot demonstrate to the satisfaction of the Service that its proposed activities will be exempt, a record of actual operations may be required before a ruling or determination letter will be issued. In those cases where an organization is unable to describe fully its purposes and activities, a refusal to issue a ruling or determination letter will be considered an adverse determination from which administrative appeal rights will be afforded.

Accordingly, we have concluded that you are not entitled to recognition of exemption from Federal Income Tax under Section 501(c)(3) of the Code, since you are not organized and operated exclusively for charitable, religious, or other exempt purposes within the meaning of Section 501(c)(3).

You are required to file Federal Income Tax Returns.

Contributions made to you are not deductible by the donors as charitable contributions as defined in Section 170(c) of the Code.

If you do not agree with these conclusions, you may within thirty days from the date of this letter, file a brief of the facts, law and arguments (in duplicate) which clearly sets forth your position. In the event you desire an oral discussion of the issues, you should so indicate in your submission. A conference will be arranged in the Regional Office after you have submitted your brief to the Chicago District Office and we have had an opportunity to consider the brief and it appears that the conclusions reached are still unfavorable to you. Any submission must be signed by one of your principal officers. If the matter is to be handled by a representative, the Conference and Practice Requirements regarding the filing of a power of attorney and evidence of enrollment to practice must be met. We have enclosed Publication 892, Exempt Organization Appeal Procedures for Adverse Determinations, which explains in detail your rights and procedures.

If you do not protest this proposed determination in a timely manner, it will be considered by the Internal Revenue Service as a failure to exhaust available administrative remedies. Section 7420(b)(2) of the Internal Revenue Code provides in part that "A declaratory judgment or decree under this section shall not be issued in any proceeding unless the Tax Court, the Court of Claims, or the District Court of the United States for the District of Columbia determines that the organization involved has exhausted administrative remedies available to it within the Internal Revenue Service".

Please keep this determination letter in your permanent records.

[REDACTED]

If you agree with this determination, please sign and return the enclosed Form 6018.

Sincerely yours,

[REDACTED]
District Director

Enclosures:
Form 6018
Publication 892