

NOV 13 1989

CERTIFIED MAIL

Dear Applicant:

We have considered your application for exemption from Federal income tax as an organization described in section 501(c)(6) of the Internal Revenue Code, and the information submitted in support thereof.

The data submitted discloses you were organized under Articles of Association dated [REDACTED]. Your stated purposes are,

- (1) to seek relief from the court in restoring to the private property owners in [REDACTED] their inherent right to decide who and what private business is conducted on their property;
- (2) to seek to order the [REDACTED] City Government to honor these private property rights by removing, as trespassers, individuals and organizations who set up a business on someone else's property, when the City is requested to do so by the property owner; and
- (3) to seek the court to order the City to regulate and police vendors, who have the property owner's permission to utilize the property, so that there will be no interference of the City of [REDACTED]

Your prime activity currently is to lobby public officials and draft legislation to Council as regards to pending legislation controlling and regulating the enforcement and license of street sales by vendors. You have approximately [REDACTED] members and serve the interests of [REDACTED] businesses and [REDACTED] property owners. Your income is derived primarily from membership dues.

Section 1.501(c)(6)-1 of the Income Tax Regulation defines a business league as an association of persons having some common business interest the purpose of which is to promote such common interest and not to engage in a regular business of a kind ordinarily carried on for profit. Its activities should be directed to the improvement of business conditions of one or more lines of business as distinguished from the performance of particular services for individual persons.

Code	[REDACTED]	[REDACTED]	[REDACTED]	Reviewer	Reviewer	Reviewer	Reviewer
Surname	[REDACTED]	[REDACTED]	[REDACTED]				
Date	7/20/89	7/21/89	11-12-89				

[REDACTED]

In Revenue Ruling 59-391, 1952-2 CB 151, an organization composed of individuals, firms, associations and corporations, each representing a different trade, business, occupation or profession whose purpose is to exchange information on business prospects has no common business interest other than a mutual desire to increase their individual sales. The activities are not directed to the improvement of one or more lines of business, but rather to the promotion of the private interests of its members.

In *Northwestern Municipal Association vs. United States*, 99 F. 2d 460 (1938) an organization of investment brokers formed to investigate causes of bond defaults and to perform the services members would have been required to perform in making bond investments was held not exempt under section 501(c)(6) of the Code.

In Revenue Ruling 74-81, 1974-1 CB 135, an organization whose principal activity is to provide its members with group workmens compensation was held not exempt under section 501(c)(6) of the Code.

You do not have a common business interest since your purposes and activities benefit a variety of businesses and other property owners. In addition, your activities constitute the performance of particular services for your members. Therefore, you do not qualify under section 501(c)(6) of the Code.

You are therefore required to file Federal income tax returns on Form 1120.

If you do not accept our findings, we recommend that you confer with a member of our Regional Office of Internal Revenue. You should include a written appeal, and any other information to support your position as required by Regulations 301.6402-1. Your appeal should be received by the conference. The conference may be held at the place of your request, or any mutually convenient location. You have 30 days from the date of the letter of this notice to request a conference. Your appeal will become final.

Sincerely yours,

[REDACTED]
District Director

Enclosure Publication 894