

[REDACTED]

CERTIFIED

DEC 17 1945

Dear Applicant:

We have considered your application for recognition of exemption from Federal Income Tax under Section 501(c)(7) of the Internal Revenue Code.

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

The purposes as shown in your Articles of Incorporation are to keep annual records of names of persons who were former students of [REDACTED] at [REDACTED] prior to school de-segregation in [REDACTED]; and the intention of the committee to host annual home-coming events and/or reunions and shall remain a not-for-profit organization.

According to your application and supporting documentation the primary activity of your organization has been two class reunions; one held in [REDACTED], and the other in [REDACTED]. A souvenir booklet was given out at the class reunions on the [REDACTED] School History.

Your organization was requested to furnish financial information, in which you responded "no income", but you submitted a copy of the bank statement showing a balance of [REDACTED]. Your proposed budget for the period ending [REDACTED] only showed projected expense totaling \$[REDACTED], you failed to show your source of income for that period.

Section 501(c)(7) of the Code provides for exemption from Federal Income Tax of clubs organized and operated exclusively for pleasure, recreation, and other non-profitable purposes, no part of the net earnings of which inures to the benefit of any private shareholder.

Section 1.501(c)(7)-1(a) of the Income Tax Regulations provides that Section 501(c)(7) of the Code applies only to clubs which are organized and operated exclusively for pleasure, recreation and other non-profitable purposes, but does not apply to any club if any part of its net earnings inures to the benefit of any private shareholder. In general, this exception caters to social and recreation clubs which are supported solely by membership fees, dues and assessments.

Furthermore, in order to qualify for exemption under Section 501(c)(7) of the Code, a commingling of members must play a material part in the activities of the organization.

The term club presupposes the existence of a common objective among members. Passive association is not enough; members must be joined by a mutuality of active interests or shared goals justifying the existence of the organization.

Based on the information submitted, your organization does not qualify for exemption under Section 501(c)(7), because your organization does not carry on any regular activities, no significant commingling of its members.

Accordingly, we hold that you are not entitled to exemption from Federal Income Tax as an organization described in section 501(c)(7) of the Code. You are required to file Federal Income Tax returns on Form 1120.

If you do not agree with these conclusions, you may within 30 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 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 592, Exempt Organization Procedures for Adverse Determinations, which explains in detail your rights and procedures.

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

Since ~~you~~ ~~you~~.

District Director

Enclosures:
Publication 892
Form 6018