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OCT 19 1981

Dear Sir or Madam:

Your application for exemption from Federal income tax as an organization described in Section 501(c)(3) of the Internal Revenue Code has been given consideration.

The evidence presented disclosed that you were incorporated on [REDACTED] under the [REDACTED] Nonprofit Corporation Act.

Your purposes, briefly stated, are to preserve and protect the natural environment of [REDACTED] and to prevent the over-commercialization and over-use of [REDACTED]. Your activities have centered on opposing the rezoning of land to be utilized for a commercial theme type amusement park. Specifically, you published advertisements and open letters, circulated a public petition to be presented to appropriate public officials, and encouraged interested persons to visit elected officials of various Boards and Commissions in opposition to the rezoning proposal. Legal action was undertaken. Revenue is received from members as contributions primarily.

Section 501(a) of the Internal Revenue Code of 1954 provides for the exemption of certain organizations described in subsection 501(c).

"(3) Corporations, and any community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary, or educational purposes, or to foster national or international amateur sports competition (but only if no part of its activities involve the provision of athletic facilities or equipment), or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual, no substantial part of the activities of which is carrying on propaganda, or otherwise attempting to influence legislation (except as otherwise provided in subsection (h)), and which does not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of any candidate for public office."

Section 1.501(c)(3)-1 of the Income Tax Regulations relates to the definition of the organization and operation of organizations described

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in Section 501(c)(3). It reads, in part, as follows:

- (3) "Action" organizations. (i) An organization is not operated exclusively for one or more exempt purposes if it is an "action" organization as defined in subdivisions (ii), (iii), or (iv) of this subparagraph.
- (ii) An organization is an "action" organization if a substantial part of its activities is attempting to influence legislation by propaganda or otherwise. For this purpose, an organization will be regarded as attempting to influence legislation if the organization--
- (a) Contacts, or urges the public to contact, members of a legislative body for the purpose of proposing supporting, or opposing legislation; or
- (b) Advocates the adoption or rejection of legislation.

The term "legislation", as used in this subdivision, includes action by the Congress, by any State legislature, by any local council or similar governing body, or by the public in a referendum, initiative, constitutional amendment, or similar procedure.

Based upon information submitted it appears that your primary activity constitutes legislative action, as defined by Regulation. Your activities therefore are not exclusively for purposes within Section 501(c)(3) of the Code.

Therefore, we have concluded that you do not qualify as an organization described in Section 501(c)(3) of the Code.

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

If you do not agree with these conclusions, you may, within 30 days from the date of this proposed adverse determination letter, appeal to the Regional Office through this Key District Office. Your appeal should contain the information described under Regional Office Appeal in the enclosed Publication 892, and should be mailed to this office. The Regional Office will let you know what action they take, and will set a date and place for any conference to be held. If a written protest is not received within the above time period this determination letter will be final.

Section 7428(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."

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.

This is a determination letter.

Sincerely yours,

Signed [redacted]

[redacted]
District Director