

EP/70:TSWS

SEP 10 1982

Dear Sirs:

We have considered your application for recognition of exemption from Federal income tax under section 501(c)(6) of the Internal Revenue Code of 1954.

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

Your purposes, briefly stated, are to improve business conditions in, enhance the business reputation of and stimulate commercial activity for [REDACTED], located in [REDACTED].

All persons or firms maintaining a place of business within [REDACTED] have become members of the Association. Although your bylaws provide affiliate membership for persons not engaged in business within the mall, you have no affiliate members.

Your income has come from dues and from mall promotions. Your expenditures have been primarily for various kinds of advertising and promotion.

Section 501(c)(6) of the Code provides for the exemption from Federal income tax of nonprofit business leagues, chambers of commerce, real estate boards, or boards of trade, not organized for profit and no part of the net earnings of which inures to the benefit of any private inalienable individual.

Section 1.1361(b)(3)-1 of the Income Tax Regulations defines a business league as a national, state or local association of persons having some common interest, the purpose of which is to promote such common interest and not to engage in a regular business of a kind as usually carried on for profit. It is an organization of the same general class as a chamber of commerce or board of trade. Thus, its activities should be directed to the improvement of business conditions of one or more lines of business as distinguished

CODE	INITIATOR	REVIEWER	REVIEWER	REVIEWER	REVIEWER	REVIEWER	REVIEWER
SUR. NAME	[REDACTED]						
DATE	SEP 10 1982						

[REDACTED]

Revenue Ruling 73-411, 1973-2 C.B. 130 held that a shopping center merchants association, composed of the tenants of a particular shopping center, whose activities included promotional affairs and advertising to publicize the center, did not qualify for exemption under section 501(c)(6). Because the association's activities promoted the business interests of its members only, rather than of the industry or community as a whole, the organization was not of the same type as a chamber of commerce or board of trade.

We find you do not qualify under section 501(c)(6) because your activities promote the business interests of your members rather than of the shopping mall industry or [REDACTED] community as a whole.

Accordingly, it is held that you are not entitled to recognition of exemption from Federal income tax under section 501(c)(6) of the Code. You are required to file Federal income tax returns on Form 1120 for each year you have been in existence.

We are not ruling on your qualification for exemption under any related paragraph of section 501(c) of the Internal Revenue Code.

If you accept our findings, you do not need to take further action.

If you do not accept our findings, we recommend that you request a conference with the Office of Regional Director of Appeals. Your request for a conference should include a written appeal giving the facts, law, and any other information to support your position as explained in the enclosed Publication 992. You will then be contacted to arrange a date for a conference. The conference may be held at our Regional office or, if you request, at any mutually convenient District office.

If we do not hear from you within 30 days from the date of this letter, this ruling will become final. If you have any questions, please contact the person whose name and telephone number are shown above.

Sincerely yours,

[REDACTED]
District Director