

Internal Revenue Service

District
Director

Department of the Treasury

C-9076

P.O. Box 1200, GPO Brooklyn, N.Y. 11202

Date: JAN 24 1966

[REDACTED]

Employer Identification Number:

Person to Contact:

Contact Telephone Number:

CERTIFIED MAIL

Dear Gentlemen:

We have considered your application for recognition of exemption under section 501(c)(3) of the Internal Revenue Code.

The evidence presented disclosed that you were incorporated on [REDACTED] under the laws of the State of [REDACTED]. Your purpose, per your Certificate of Incorporation is, "Providing personal and organizational support to those who seek a reordering of national economic priorities meeting of domestic human needs especially those who withhold payment of all or part of their federal income or excise taxes preparation for war."

You state in your application that the organization was established to:

A. provide the opportunity for individuals who withhold their federal income taxes on the grounds of conscience, to place the withheld money in a fund to be used to meet human needs. Individuals may place their money in the fund in one of three ways:

1. escrow-principle amount may not be withdrawn by donor until they are compelled or decide willfully to pay due taxes.

2. trust-principle amount may not be withdrawn by donor until they are compelled or decide willfully to pay due taxes.

3. gift-donation, all of which can be used by the organization.

B. make contributions to community groups which function to meet basic needs.

Your pamphlet [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] "encourages individuals to become "tax resisters". You describe several methods of becoming a tax resister and will provide detailed steps upon request. You encourage individuals to re-channel tax monies to your organization so that you can distribute it to local efforts for peace and human needs.

Section 501(c)(3) of the Code provides for the exemption of organizations organized and operated exclusively for charitable, religious, educational or scientific purposes.

Section 1.501(c)(3)-1(a)(1)(i) of the Income Tax Regulations states in part, that an organization may be exempt as an organization described in section 501(c)(3) if it is organized and operating exclusively for charitable, religious or educational purposes.

Section 1.501(c)(3)-1(b)(1) of the Regulations states that an organization is organized exclusively for exempt purposes if its organizing document does not empower the organization to engage in activities which are not in furtherance of exempt purposes.

Section 1.501(c)(3)-1(d)(2) of the Regulations provides that the term "charitable" is used in section 501(c)(3) of the Code in its generally accepted legal sense. The regulations further state that the term "charity" includes lessening the burdens of government and the promotion of social welfare.

Revenue Ruling 75-384, 1975-2 C.B. 204 describes a nonprofit organization formed to promote world peace and disarmament by non-violent direct action. The organization's primary activity is antiwar protest demonstrations in which the demonstrators are urged to commit violations of local ordinances. (The ruling states the following: "All charitable organizations are subject to the requirement that their purposes may not be illegal or contrary to public policy. The organization described encourages the commission of criminal acts-its activities demonstrate an illegal purpose which is inconsistent with charitable ends. Moreover the generation of criminal acts increase the burdens of government, thus frustrating a charitable goal-relief of the burdens of government. Additionally the commission of illegal activities is contrary to the common good and general welfare of the community and thus not a permissible means of promoting social welfare." Accordingly the organization described above was held not exempt under Code section 501(c)(3).

On the basis of the evidence presented we hold that because your organization is both organized and operating to encourage the nonpayment of income and excise taxes, which is illegal, your organization is encouraging the commission of a criminal act. Therefore [redacted] [redacted]'s purposes and methods of operation are inconsistent with the definition of charity and social welfare as defined in section 501(c)(3). Furthermore, Revenue Procedure 80-25, 1980-1 C B 667 states in part that each completed application for recognition of exemption must be signed by an officer and include adopted by-laws signed by an authorized officer. You have stated that your organization has no board of directors, therefore you have not complied with the above requirement. Based on the above we hold that your organization does not qualify for exemption under section 501(c)(3) of the Code or any other code section.

[REDACTED]

You are required to file a taxable return Form 1120 or 1041 with the District Director of Internal Revenue Service. Please send the return to the Internal Revenue Service, P.O. Box 1680, General Post Office, Brooklyn, NY 11202.

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 this determination you may protest in accordance with the enclosed instructions within 30 days.

Protests submitted which do not contain all the documentation stated in the instructions will be returned for completions.

If we do not hear from you within that time this determination will be considered final and the appropriate State Officials will be notified.

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 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 Claims Court, 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."

Sincerely yours,

[S]

[REDACTED]
District Director

Enclosure: Publication 892

Internal Revenue Service

Department of the Treasury

District
Director

P. O. BOX 1680 GPO

B'KLYN, NY 11202

SEP 04 1987

Date:

Person to Contact:

Contact Telephone Number:

Refer Reply to:

EO:

CERTIFIED MAIL

Dear Applicant:

We have considered your application for recognition of exemption under section 501(c)(4) of the Internal Revenue Code.

The evidence presented disclosed that you were incorporated on [REDACTED], under the laws of the State of [REDACTED]. As per your Certificate of Incorporation, your purpose is "Providing personal and organizational support to those who seek a reordering of National economic priorities away from high military spending to the meeting of domestic human needs, especially those who withhold payment of all or part of their Federal income or excise taxes as a protest against military spending and preparation for war."

You state in your application that your organization was established to:

1. Provide an "alternative fund" to receive money from individuals and organizations, to fund "human needs programs".
2. Giving grants and loans to organizations and groups working either for social change or to meet human needs.

We have found your organization had applied for exemption under section 501(c)(3) of the Internal Revenue Code on July 18, 1985. At that time, you had submitted your pamphlet "[REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]" in order to encourage individuals to become "tax resisters". You described several methods of becoming a tax resister and you would provide detailed steps upon requests. You encouraged individuals to re-channel tax monies to your organization so that you could distribute it to local efforts for peace and human needs. We denied your application under section 501(c)(3) due to the fact that your organization encourages nonpayment of income and excise taxes which is an illegal and criminal act.

Section 501(c)(4) of the Internal Revenue Code provides for the exemption from Federal income tax of civic leagues or organizations not organized for profit but operated exclusively for the promotion of social welfare.

Section 1.501(c)(4)-1(a)(2)(i) of the Income Tax Regulations provides that an organization is operated exclusively for the promotion of social welfare if it primarily engages in promoting in some way the common good and general welfare of the people of the community.

The concept of social welfare implies a service or program directed at benefitting the community rather than a private group of individuals.

Revenue Ruling 75-384, 1975-2 C.B. 204, describes a nonprofit organization formed to promote world peace and disarmament by non-violent direct action. The organization's primary activity is antiwar protest demonstration in which the demonstrators are urged to commit violations of local ordinances. The ruling states that illegal activities which violates the minimum standards of acceptable conduct necessary to the preservation of an orderly society, are contrary to the common good and the general welfare of the people in a community and thus are not permissible means of promoting the social welfare for purposes of section 501(c)(4) of the Code. Accordingly, the organization described above was held to be not exempt under Code section 501(c)(3) or Code section 501(c)(4).

On the basis of the evidence presented we hold that because your organization is both organized and operating to encourage the nonpayment of income and excise taxes, which is illegal, your organization is encouraging the commission of a criminal act. Therefore, [REDACTED]'s purposes and activities are inconsistent with the definition of social welfare as defined in section 501(c)(4) of the Code. Based on the above, we hold that your organization does not qualify for exemption under section 501(c)(4) of the Code or any other Code section.

You are required to file a taxable return Form 1120 or 1041 with the District Director of Internal Revenue Service. Please send the return to the Internal Revenue Service, P.O. Box 1680, General Post Office, Brooklyn, NY 11202.

If you do not agree with this determination, you may request a Conference with the Regional Director of Appeals by protesting in accordance with the enclosed instructions within 30 days.

Protests submitted which do not contain all the documentation stated in the instructions will be returned for completion.

If we do not hear from you within that time, this determination will become final.

Sincerely yours,


District Director