

[REDACTED] [REDACTED]
[REDACTED]
[REDACTED]
JUN 5 1965

Dear Applicant:

The information submitted indicates that you were incorporated on [REDACTED] under the laws of the State of [REDACTED]. Your purposes as set forth in your articles of incorporation are in part as follows:

"...to share knowledge and information so as to increase the financial resources available to its members, and to educate, inform and share knowledge in the areas of financial planning and other business aspects and activities which promote the profession of a minister."

Your activities in furtherance of this purpose are to assist ministers in planning the distribution and use of financial resources through meetings and seminars. You submitted information with your application about a tax seminar which you planned for [REDACTED] which is similar to one conducted by a C.P.A. firm. Additionally your newsletter, "[REDACTED]" provides advertising for your officers.

Section 501(c) of the Code describes certain organizations exempt from federal income tax under section 511(a) and reads, in part, as follows:

"(6) Business leagues, chambers of commerce, real-estate boards, boards of trade, or professional football leagues, not organized for profit and no part of the net earnings of which inures to the benefit of any private shareholder or individual.

Section 1.501(c)(6)-1 of the Income Tax Regulations provides, in part, as follows:

"Thus, 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."

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An organization whose purpose is to engage in a regular business of a kind ordinarily carried on for profit, even though the business is conducted on a non-profit basis or produces only sufficient income to be self-sustaining, is not a business league. An association engaged in furnishing information to prospective investors; to enable them to make sound investments, is not a business league, since its activities do not further any common business interest, even though all of its income is devoted to the purpose stated."

Revenue Ruling 65-164, 1965-1 C.B. 238, holds that a local organization whose principal activity consists of furnishing information to and advertising the products of its members engaged in the building construction business in performing particular services for them and is not exempt as a business league.

Revenue Ruling 64-315, 1964-2 C.B. 147, holds that an association of merchants in a particular shopping center whose advertising material contained the names of individual merchants was denied exemption. Furthermore, advertising which carries the names of members generally contributes to the performance of particular services for members.

Revenue Ruling 57-433, 1957-2 C.B. 319 holds that an organization which engaged in the publication of the anthologies of its members and which entered into contracts for programs on the radio and television based on the anthologies, serves as a vehicle for the publication of materials of its members by calling attention to their professional work and thereby increases the salability of the writer's efforts. Such an organization is engaged in a business for profit and is not entitled to exemption from Federal income tax under the provisions of section 501(c)(6) of the Code.

Your purposes are set forth in your articles of incorporation, and your activities are in character with section 1.501(c)(6)-1 of the regulations, as you do not promote a common business interest. Like the organizations in Revenue Rulings 65-164, 64-315, and 57-433, you advertise your officers' businesses by calling attention to their services. Each activity has been determined to be the performance of particular services for your officers, so that it promotes their businesses.

Accordingly, you do not qualify for recognition of exemption from Federal income tax under section 501(c)(6) of the Code. You are therefore required to file Federal income tax returns.

[REDACTED]

If you agree with these conclusions or do not wish to file a written protest, please sign and return Form 5018 in the enclosed self-addressed envelope as soon as possible.

If you do not agree with these conclusions, you may, within 30 days from the date of this letter, file in duplicate a brief of the facts, law, and argument that clearly sets forth your position. If you desire an oral discussion of the issue, please indicate this in your protest. The enclosed Publication 892 gives instructions for filing a protest.

If you do not file a protest with this office within 30 days of the date of this report or letter, this proposed determination will become final.

If you have further questions, please contact the person whose name and telephone number are shown at the beginning of this letter.

Sincerely,

[REDACTED]
District Director

Enclosures:
Publication 892
Form 5018

cc: [REDACTED]