[redacted]

[redacted]

OCT 22 1981

Gentlemen:

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

The information submitted indicates that you were incorporated under the State of [redacted] Non-Profit Corporation Act on [redacted]. You were organized to provided proper maintenance of [redacted] and to provide social facilities for your members.

[redacted] is a commercial condominum. You were created to administer the common areas which at the present time consist of a parking lot and a paved delivery area. You assess each member a change of $[redacted] per month from which you will pay water, sewer and garbage fees.

Membership is limited to the owners of a condominium in [redacted].

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

> "(4)Civic leagues or organizations not organized for profit but operated exclusively for the promotion of social welfare, or local associations of employees, the membership of which is limited to the employees of a designated person or persons in a particular municipality, and the net earnings of which are devoted exclusively to charitable, educational, or recreational purposes."

Revenue Ruling 74-17, 1974-1 Cumulative Bulletin 130, provides that an organization formed by the unit owners of a condominium housing project to provide for the management, maintenance, and care of the common areas of the project, as defined by State statue, with membership assessments paid by the unit owners does not qualify for exemption under section 501(c)(4) of the Code.

	Initiator	Reviewer	Reviewer	Reviewer	Reviewer	Reviewer	Reviewer
le		[redacted]					
name							

[redacted]

Based on the information submitted, it is held that you do not qualify for exemption from Federal income tax under section 501(c)(4) of the Code. Since your activities are for the private benefit of your members you are not operated exclusively for the promotion of the social welfare of the community.

You are required to file an annual Federal income tax return on Form 1120. You may be considered as a homeowners association described in section 528 and may elect to file an annual Form 1120-H . Please see the enclosed Publication 588 for a discussion of the subject.

If you agree with these conclusions or do not wish to file a written protest, please sign and return Form 6018 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.

Sincerely,

[redacted]

District Director

Enclosures:
Form 6018
Publication 892
Publication 588