NO PROTEST [illegible]
Release [illegible]

Date 10/15/84

Surname [redacted]

[redacted]

AUG 28 1984

[redacted]

Key District: [redacted]
Employer Identification Number: [redacted]

No Data

SEP [illegible]

Dear Applicant:

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

Your organization, a private home school, is directed by [redacted] and [redacted]. You have stated that [redacted] is the sole teacher and her son, [redacted], is the only student, and that in the future the only additional student will be the [redacted]' daughter. Your operating expenses appear to be based only on the contributions made by the [redacted], and you state that your organization's financial operation will continue as such in the future. You have also stated that the sole purpose for applying for tax exempt status is deductibility of contributions on the directors-parents' income tax return.

Section 501(c)(3) of the Code provides for the exemption from federal income tax of organizations organized and operated exclusively for charitable and educational purposes, no part of the net earnings of which inures to the benefit of any private shareholder or individual.

Section 1.501(c)(3)-1(d)(1)(ii) of the Income Tax Regulations provides that an organization is not organized and operated exclusively for one or more exempt purposes unless it serves a public rather than a private interest. Thus, to meet this requirement, it is necessary for an organization to establish that it is not organized or operated for the benefit of private interests such as designated individuals, the creator or his family, shareholders of the organization, or persons controlled, directly or indirectly, by such private interests.

[illegible] submitted indicates that some of your officers, [illegible] are related and that your facilities are [illegible] dence of some of your officers, incorporators [illegible] to serve a public interest is evident in that [illegible] come from tuition, books or contributions. [illegible] of income is derived from the personal contri- [illegible] Palmer. The only beneficiary of the services [illegible] is the child of [redacted] and [redacted]. [illegible] services to this child results in serving the [illegible] er family.

[redacted]

Accordingly, it is our conclusion that you are neither organized nor operated exclusively for one or more purposes as specified in section 501(c)(3) of the Code and therefore, you are not entitled to be recognized as exempt from federal income tax under section 501(c)(3) of the Code. You are required to file federal income tax returns and contributions to you are not deductible under section 170 of the Code.

You have the right to protest this ruling if you believe that it is incorrect. To protest, you should submit a statement of your views, with a full explanation of your reasoning. This statement must be submitted in duplicate within 21 days of the date of this letter and must be signed by one of your principal officers. You also have a right to a conference in this office after your statement is submitted. If you want a conference, you must request it when you file your protest statement. If you are to be represented by someone who is not one of your principal officers, he must file a proper power of attorney and otherwise qualify under our Conference and Practices requirements.

If you do not protest this proposed ruling 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.

If we do not hear from you within 21 days, this ruling will become final and copies of it will be forwarded to the District Director, Chicago, Illinois, which is your key district for exempt organization matters. Thereafter, any questions about your federal income tax status or the filing of tax returns should be addressed to that office. Also, the appropriate State officials will be notified of this action in accordance with section 6104(c) of the Code.

When submitting additional letters with respect to this case to the Internal Revenue Service, you will expedite their receipt by placing the following symbols on the envelope: OP:E:EO:T:4-VR, Room [illegible]. These symbols do not refer to your case but rather to its location.

Sincerely yours,

(Signed) [redacted]

[redacted]

Chief, Exempt Organizations
Rulings Branch

[redacted]