



Department of the Treasury
Internal Revenue Service
Tax Exempt and Government Entities
P.O. Box 2508
Cincinnati, OH 45201

Date:
02/27/2025
Employer ID number:

Form you must file:
1120

Tax years:
All

Person to contact:

Release Number: 202521026
Release Date: 5/23/2025
UUIL Code: 501.08-00

Dear :

This letter is our final determination that you don't qualify for exemption from federal income tax under Internal Revenue Code (IRC) Section 501(a) as an organization described in IRC Section 501(c)(8). Recently, we sent you a proposed adverse determination in response to your application. The proposed adverse determination explained the facts, law, and basis for our conclusion, and it gave you 30 days to file a protest. Because we didn't receive a protest within the required 30 days, the proposed determination is now final.

You must file the federal income tax forms for the tax years shown above within **30 days** from the date of this letter unless you request an extension of time to file. For further instructions, forms, and information, visit www.irs.gov.

We'll make this final adverse determination letter and the proposed adverse determination letter available for public inspection after deleting certain identifying information, as required by IRC Section 6110. Read the enclosed Letter 437, Notice of Intention to Disclose - Rulings, and review the two attached letters that show our proposed deletions. If you disagree with our proposed deletions, follow the instructions in the Letter 437 on how to notify us. If you agree with our deletions, you don't need to take any further action.

If you have questions about this letter, you can call the contact person shown above. If you have questions about your federal income tax status and responsibilities, call our customer service number at 800-829-1040 (TTY 800-829-4933 for deaf or hard of hearing) or customer service for businesses at 800-829-4933.

Sincerely,

Stephen A. Martin
Director, Exempt Organizations
Rulings and Agreements

Enclosures:
Letter 437
Redacted Letter 4034
Redacted Letter 4038



Department of the Treasury
Internal Revenue Service
PO Box 2508
Cincinnati, OH 45201

Date:
01/08/2025
Employer ID number:

Person to contact:
Name:
ID number:
Telephone:
Fax:

Legend:

B = State of Formation
C = Date of Formation
D = Country
E = Nationality
G = State
H = Country
x dollars = Donation

UIL:
501.08-00

Dear _____ :

We considered your application for recognition of exemption from federal income tax under Internal Revenue Code (IRC) Section 501(a). We determined that you don't qualify for exemption under IRC Section 501(c)(8). This letter explains the reasons for our conclusion. Please keep it for your records.

Issues

Do you qualify for exemption under IRC Section 501(c)(8)? No, for the reasons stated below.

Facts

You are a membership organization incorporated in the state of B on C. Your corporate purposes include taking charge, organizing, paying for the burial, or paying for the repatriation costs of a deceased member to the country of D and supporting the bereaved person(s). Your bylaws further state that you will provide financial aid for x dollars to the family of the deceased, who dies outside the H.

Your primary activity is paying for repatriation for E community members living in B and G to D. Specifically, E individuals adhere to the culture and traditions of their ancestors regarding the death of an E individual outside their country which includes the deceased and being buried in D. You also explained that exempt status will help your members save costs because the expenses associated with repatriation are very high.

Your members meet at least once a month to discuss any upcoming changes requiring members attention and then annually in a general meeting. You explained that in case you do not meet the required amount to pay the necessary expenses associated with burial, you will ask the members for additional donations.

Information submitted with your Form 1024 states that you:

- Do not nor will you operate for the exclusive benefit of the members of an organization operating under the lodge system.
- Are not a subordinate or local lodge.
- Are not a parent or grand lodge.

Furthermore, you provided no evidence that you conduct any fraternal activities such as rituals, ceremonial, nor regalia.

Law

IRC Section 501(c)(8) exempts from federal income tax "Fraternal beneficiary societies, orders, or associations operating under the lodge system or for the exclusive benefit of a fraternity itself operating under the lodge system, and providing for the payment of life, sick, accident, or other benefits to the members of such society, order, or association or their dependents".

Treasury Regulation Section 1.501(c)(8)-(a) provides that "A fraternal beneficiary society is exempt from tax only if operated under the lodge system or for the exclusive benefit of the members so operating. Operating under the lodge system means carrying on its activities under a form of organization that comprises local branches, chartered by a parent organization and largely self-governing, called lodges, or chapters. In order to be exempt, it is also necessary that the society have an established system for the payment to its members or their dependents of life, sick, accident, or other benefits".

Rev. Rul. 63-190, 1963-2 C.B. 212, determined that an organization which maintains a social club for members and provides sick and death benefits for members and their beneficiaries, does not qualify for exemption from federal income tax as a fraternal beneficiary society under IRC Section 501(c)(8).

In National Union v. Marlow, 74 F. 775, 778-779 (8 Cir. 1896), states that even if the member of an organization enjoys a common tie or goal, the organization does not serve a fraternal purpose unless its members engage in fraternal activities.

In Philadelphia and Reading Relief Association v. Commissioner, 4 B.T.A. 713 (1926), the court held that an organization of railroad company employees that made payments to members who became disabled because of accident or sickness was not entitled to exemption because it was not "fraternal". The court cited rituals, ceremonies, and regalia as evidence of a fraternal purpose, and was unable to discover a single fraternal feature in its organization, being entirely without social features or fraternal object. The petitioner has neither lodges, rituals, ceremonial, nor regalia; and it owes no allegiance to any other authority or jurisdiction.

In Fraternal Order of Civitans of Am. v. Comm'r, 19 T.C. 240 (1952), it was held that the mere recitation of common ties and objectives in an organization's governing instrument is insufficient to be classified as fraternal. There must be specific activities in implementation of the appropriate purposes.

Application of law

You do not meet the provisions of IRC Section 501(c)(8) or Treas. Reg. Section 1.501(c)(8)-(a). You do not have specific activities that accomplish a fraternal purpose nor are you operating under the lodge system. You are similar to the organization described in Revenue Ruling 63-190. Although you provide benefits to your

members, you do not operate under the lodge system as contemplated in Section 501(c)(8). For example, you are not operating in such a manner that comprises local branches chartered by a parent organization and largely self-governing, called lodges, chapters, or the like. While you have stated that you are part of a community that provides repatriation, you have not submitted any evidence in support of part of a lodge system. Finally, you are not a subordinate or local lodge nor are you a parent or grand lodge.

Furthermore, like National Union, Philadelphia and Reading Relief Association and Fraternal Order of Civitans, you do not carry on any fraternal activities. You have not provided any evidence that you have rituals, ceremonies, or regalia.

Your position

You explained that you are now conducting programs including:

1. Helping families meet for more interactions and exchanging information concerning jobs, language, etc.
2. Providing for children's interactions for language and culture.
3. Organizing sporting events including a soccer tournament for youth.
4. Providing language classes for the older generations and helping them find jobs.
5. Supporting new moms through providing them access to experienced moms in the community.
6. Helping support single people if any health issues happen.
7. Assisting new immigrants with following up on their paperwork, collecting furniture for housing, assisting with job research, and with transportation.
8. Providing scholarships to children.
9. Organizing and celebrating graduation parties for members and their families
10. Organizing and celebrating religious ceremonies.

You also recently adopted changes to how you are funded. You will no longer assess membership dues; however, all members are expected to contribute by donation at every scheduled event. You may also collect donations at any time even when there is no formal event.

Our response to your position

You have not provided any information proving that you meet the requirements of IRC Section 501(c)(8). As previously explained, you are not conducting fraternal activities. You are also not operating for the exclusive benefit of the members of an organization operating under the lodge system. In addition, you are not a subordinate or local lodge nor are you a parent or grand lodge.

Conclusion

You are not operated as an organization described under IRC Section 501(c)(8). You are not a fraternal organization, nor are you operated under the lodge system. Therefore, you do not qualify for exemption under Section 501(c)(8).

If you agree

If you agree with our proposed adverse determination, you don't need to do anything. If we don't hear from you within 30 days, we'll issue a final adverse determination letter. That letter will provide information on your income tax filing requirements.

If you don't agree

You have a right to protest if you don't agree with our proposed adverse determination. To do so, send us a protest within 30 days of the date of this letter. You must include:

- Your name, address, employer identification number (EIN), and a daytime phone number
- A statement of the facts, law, and arguments supporting your position
- A statement indicating whether you are requesting an Appeals Office conference.
- The signature of an officer, director, trustee, or other official who is authorized to sign for the organization or your authorized representative.
- The following declaration:

For an officer, director, trustee, or other official who is authorized to sign for the organization:

Under penalties of perjury, I declare that I have examined this request, or this modification to the request, including accompanying documents, and to the best of my knowledge and belief, the requestor the modification contains all relevant facts relating to the request, and such facts are true, correct, and complete.

Your representative (attorney, certified public accountant, or other individual enrolled to practice before the IRS) must file a Form 2848, Power of Attorney and Declaration of Representative, with us if they haven't already done so. You can find more information about representation in Publication 947, Practice Before the IRS and Power of Attorney.

We'll review your protest statement and decide if you gave us a basis to reconsider our determination. If so, we'll continue to process your case considering the information you provided. If you haven't given us a basis for reconsideration, we'll send your case to the Appeals Office and notify you. You can find more information in Publication 892, How to Appeal an IRS Determination on Tax-Exempt Status.

If you don't file a protest within 30 days, you can't seek a declaratory judgment in court later because the law requires that you use the IRC administrative process first (IRC Section 7428(b)(2)).

Where to send your protest

Send your protest, Form 2848, if applicable, and any supporting documents to the applicable address:

U.S. mail:

Internal Revenue Service
EO Determinations Quality Assurance
Mail Stop 6403
PO Box 2508
Cincinnati, OH 45201

Street address for delivery service:

Internal Revenue Service
EO Determinations Quality Assurance
550 Main Street, Mail Stop 6403
Cincinnati, OH 45202

You can also fax your protest and supporting documents to the fax number listed at the top of this letter. If you fax your statement, please contact the person listed at the top of this letter to confirm that they received it.

You can get the forms and publications mentioned in this letter by visiting our website at www.irs.gov/forms-pubs or by calling 800-TAX-FORM (800-829-3676). If you have questions, you can contact the person listed at the top of this letter.

Contacting the Taxpayer Advocate Service

The Taxpayer Advocate Service (TAS) is an independent organization within the IRS that can help protect your taxpayer rights. TAS can offer you help if your tax problem is causing a hardship, or if you've tried but haven't been able to resolve your problem with the IRS. If you qualify for TAS assistance, which is always free, TAS will do everything possible to help you. Visit www.taxpayeradvocate.irs.gov or call 877-777-4778.

Sincerely,

Stephen A. Martin
Director, Exempt Organizations
Rulings and Agreements