

INTERNAL REVENUE SERVICE
Date: February 22, 2005

DEPARTMENT OF THE TREASURY
Brooklyn, NY 11201

Number: **200520034**
Release Date: 5/20/2005
UIL: 501.08-00
501.31-01

EIN :
Person to Contact
Identification Number:
Contact Telephone Number:

In Reply Refer To: TE/GE Review Staff

Dear _____ :

This is a Final Adverse Determination as to your exempt status under section 501(c)(8) of the Internal Revenue Code.

Our adverse determination was made for the following reasons:

fails to meet the requirement for exemption under IRC 501(c)(8). Section 1.501(c)(8)-1 of the Income Tax Regulations defines a fraternal beneficiary society, order or association as one that operates under the lodge system or operates for the exclusive benefit of the members of a fraternity itself operating under the lodge system , and providing for the payment of life, sick, accident , or other benefits to members of such society, order or association or their dependents.

As a result of a recent audit of your organization's activities and Form 990 for the period ended _____ , it was determined that you are primarily engaged in the conduct of bingo which is a non-fraternal activity. All fraternal activities and payments were determined to have ceased that year as well.

Based on the above, we are revoking your organization's exemption from Federal income tax under section 501(c)(8) of the Internal Revenue Code effective January 1, 1999.

You are required to file Federal income tax returns on Form 1120. These returns should be filed with the appropriate Service Center for all years beginning after _____. You have executed the Form 6018-A agreeing to this revocation.

You are required to file Form 1120, U.S. Corporation Income Tax Return. Form 1120 must be filed by the 15th day of the third month after the end of your annual accounting period. A penalty of \$20 a day is charged when a return is filed late, unless there is

reasonable cause for the delay. However, the maximum penalty charged cannot exceed \$10,000 or 5 percent of your gross receipts for the year, whichever is less. This penalty may also be charged if a return is not complete, so please be sure your return is complete before you file it.

You have the right to contact the office of the Taxpayer Advocate. However, you should first contact the person whose name and telephone number are shown above since this person can access your tax information and can help you get answers. You can call 1-877-777-4778 and ask for Taxpayer Advocate assistance. Or you can contact the Taxpayer Advocate from the site where the tax deficiency was determined by calling (713) 209-3660 or writing to: Internal Revenue Service, 1919 Smith St., Stop 1005-HOU, Houston, Texas.

Taxpayer Advocate assistance cannot be used as a substitute for established IRS procedures, formal appeals processes, etc. The Taxpayer Advocate is not able to reverse legal or technically correct tax determinations, nor extend the time fixed by law that you have to file a petition in the United States Tax Court. The Taxpayer Advocate can, however, see that a tax matter that may not have been resolved through normal channels, gets prompt and proper handling.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely yours,

R.C. Johnson
Director, EO Examinations