

CERTIFIED



Person to Contact: [REDACTED]
 Telephone Number: [REDACTED]
 Refer Reply to:
 Internal Revenue Service
 P.O. Box A-3290 DPM 22-3
 Attn: Chief, EP/EO Review Staff
 Chicago, IL 60690

Date: FEB 06 1990

Dear Applicant:

We have considered your application for recognition of exemption from Federal Income Tax under Section 501(c)(6) of the Internal Revenue Code.

The information discloses that you were incorporated on [REDACTED] under the nonprofit corporation laws of the State of [REDACTED].

The primary purpose of your organization is to promote and publicize [REDACTED] and its place and status in the community of [REDACTED]. General membership in your organization is restricted to and required of the tenants of [REDACTED] stores. The owner of the shopping center is also a member of your organization.

The information in file discloses that the primary activities of your organization include purchasing advertising through newspaper, radio, television and other media as well as organizing promotional events. Examples of such promotional events include antique and craft shows, car and boat shows, community health promotions, and holiday displays. A sample advertisement is attached as Exhibit 1.

Your primary source of income is membership dues. Your primary expenses are advertising and promotional expenses to publicize the shopping center.

Section 501(c)(6) of the Internal Revenue Code provides for exemption of "business leagues, chambers of commerce, real estate boards, boards of trade, or professional football leagues (whether or not administering a pension fund for football players), not organized for profit and no part of the net earnings of which inures to the benefit of any private shareholder or individual."

FEB 6 1990

Station agent

| Code | Reviewer | Reviewer | Reviewer | Reviewer |
|------------|------------|------------|------------|------------|
| [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| Surname | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| Date | 2/5/90 | 2/5/90 | 2/5/90 | 2/5/90 |

Section 1.501(c)(6)-1 of the Income Tax Regulations defines a business league as an association of persons having some common business interest, the purpose of which is to promote such common interest. Its activities should be directed towards the improvement of business conditions in one or more lines of business as distinguished from the performance of particular services for individual persons.

Revenue Ruling 73-411, 1973-2 C.B. 180, states that a shopping center merchants' association whose membership is restricted to and required of the tenants of a one-owner shopping center and their common lessor, and whose activities are directed to promoting the general business interests of its members, does not qualify as a business league or chamber of commerce under section 501(c)(6) of the Code.

Your organization is similar to the organization described in the above Revenue Ruling 73-411. The compulsory membership feature of your organization is directly related to the owner-tenant relationship of the parties comprising your organization and is designed to serve the owner's individual business interests in the operation of the center. Your activities thus include those of a landlord-tenant association and as such directly assist the owner in facilitating the operation of his real estate enterprise. To the extent the activities of the organization serve such purposes, they are not activities directed at improvement of business conditions of one or more lines of business. They serve instead the individual business interests of the owner of the shopping center and, therefore, fall outside the scope of Section 501(c)(6) of the Code.

We have concluded that you do not qualify for exemption from Federal Income Tax as an organization described in Section 501(c)(6) of the Internal Revenue Code. Accordingly, you are required to file Federal income tax returns on Form 1120, annually with your District Director.

[REDACTED]

If you do not agree with these conclusions, you may within 30 days from the date of this letter, file a brief of the facts, law and arguments (in duplicate) which clearly sets forth your position. In the event you desire an oral discussion of the issues, you should so indicate in your submission. A conference will be arranged in the Regional Office after you have submitted your brief to the Chicago District Office and we have had an opportunity to consider the brief and it appears that the conclusions reached are still unfavorable to you. Any submission must be signed by one of your principal officers. If the matter is to be handled by a representative, the Conference and Practice Requirements regarding the filing of a power of attorney and evidence of enrollment to practice must be met. We have enclosed Publication 892, Exempt Organization Appeal Procedures for Adverse Determinations, which explains in detail your rights and procedures.

If we do not hear from you within 30 days from the date of this letter this determination will become final.

If you agree with this determination please sign and return the enclosed Form 6018.

Please keep this determination letter in your permanent records.

Very truly yours,

[REDACTED]
District Director

Enclosures:
Publication 892
Form 6018