

# **Bond Case Briefs**

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## **Private Letter Ruling: IRS Provides Information on Changes to Exempt Organization's Activities.**

The IRS provided general information about the procedures for an exempt organization to declare any changes in the character, operations, or purpose for which it was originally created.

Dear \* \* \*:

This letter provides general information in response to your letter dated August 17, 2012, regarding follow up submissions to the Determinations office concerning change of a tax-exempt organization's activities.

Procedures for submitting an exempt organization's structural and operational changes to the Service can be found in Publication 4221-PC, Compliance Guide for 501(c)(3) Public Charities, Publication 4221-PF, Compliance Guide for 501(c)(3) Private Foundations and Publication 4221-N, Compliance Guide for Tax Exempt Organizations (Other than 501(c)(3) Public Charities and Private Foundations). The appropriate publication is provided with all current exemption letters. These guides provide that any changes should be reported on the organization's annual information return. It also provides that an organization may submit changes to the EO Determinations office, but that such submissions do not absolve the organization from reporting such changes on its annual return.

Additionally, section 1.6033-2(i)(1) of the regulations provide that exempt organizations that are not required to file an information return must notify the IRS in writing of any changes in its character, operations, or purpose for which it was originally created.

Revenue Procedure 2012-4, 2012-1 IRB 125, § 7.04(2) provides that the IRS will not issue determination letters approving or disapproving any completed transaction, or determination letters on the effect of changes in activities on tax-exempt status (except for areas enumerated in the revenue procedure). This revenue procedure, updated annually, has contained this provision since 2007.

In order to receive the protection from retroactive revocation of a ruling or determination letter found in Rev. Proc. 2012-4, §§ 13 and 14, that could result from an organization's change in activities, an organization must follow the procedures found in that revenue procedure for requesting a private letter ruling. These procedures include the payment of the \$10,000 fee. These are the only procedures that provide any protection from retroactive revocation upon structural or operational changes. Reporting a change on Form 990, Form 990-EZ, or Form 990-PF will not prevent the retroactive revocation of a ruling or determination letter.

This letter is for informational purposes only and provides general statements of well-defined law. It is not a ruling. (Rev. Proc. 2012-4, 2012-1 I.R.B. 125). We will make this letter available for public inspection after deleting names, addresses and other identifying information, as appropriate, under the Freedom of Information Act (Announcement 2000-2, 2000-2 I.R.B. 295). A copy of this letter with the proposed deletions is attached.

I hope this information is helpful. If you have any questions, please contact me at \*\*\* or \*\*\* at \*\*  
\*.

Sincerely,

[signature omitted]

Manager, Exempt Organizations

Guidance

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