

Internal Revenue Service

Department of the Treasury

Taxpayer Identification Number:

Person to Contact/ID Number:

Contact Telephone Number:

Contact Fax Number:

Tax Year Ending:

Date:

Dear

The Internal Revenue Service (the "Service") is examining exempt organizations and government entities that have received certain interests in real property (known as "successor member interests") in a type of transaction described in Notice 2007-72, 2007-36 I.R.B. 544 (the "Notice"). We believe that your organization may have received a successor member interest in such a transaction. Consequently, we have selected your organization for examination. As part of the examination, we ask that you answer the questions and provide the information requested in the accompanying information document request.

The transaction in question is one in which a taxpayer acquires a successor member interest, transfers the interest more than one year after acquiring it to an organization qualified to receive charitable contributions, and then claims a charitable contribution deduction that is significantly greater than the amount the taxpayer paid to acquire the interest. Please see the enclosed Notice for an explanation of the transaction.

The Examination

Please answer the questions in the information document request with respect to each instance in which your organization received or disposed of a successor member interest in a transaction of the same or substantially similar type as that described in the Notice. Provide any additional information pertaining to your involvement in such transactions. Please mail your response in the enclosed envelope within 30 days of the date of this letter.

You may have someone represent your organization at any time during the examination. To authorize a representative, file Form 2848, *Power of Attorney and Declaration of Representative*. The representative must be a person allowed to practice before the Service, such as an attorney, certified public accountant, or enrolled agent. If you want a person or firm to receive or inspect your organization's confidential information, but not represent your organization before the Service, file Form 8821, *Tax Information Authorization*.

Disclosure Requirements

Transactions that are the same as, or substantially similar to, those described in the Notice are considered transactions of interest under section 1.6011-4(b)(6) of the Income Tax Regulations. Transactions of interest are reportable transactions for purposes of sections 6111 and 6112 of the Internal Revenue Code. Persons participating in such transactions on or after November 2, 2006, generally must disclose them to the Service in the manner prescribed in section 1.6011-4 of the regulations. However, under the Notice, a charitable organization is not a participant for this purpose if it received the successor member interest on or prior to August 14, 2007.

You should review the Notice and section 1.6011-4 of the regulations to determine whether your organization has any disclosure obligations concerning a transaction of interest. Failure to disclose a transaction of interest may subject your organization to the penalties described in the Notice.

As stated in the Notice, the Service is gathering information to make an informed decision as to whether the transaction described in the Notice is a tax avoidance type of transaction, and whether the transaction should be designated as a listed transaction.

Your Rights

We have enclosed Publication 1, *Your Rights as a Taxpayer*, which informs you of your rights as a taxpayer and describes the examination process. We have also enclosed Notice 609, *Privacy Act Notice*, which explains our legal right to ask you for the information solicited by the questionnaire.

Director, Exempt Organizations Examinations

Enclosures:

Publication 1

Publication 3114

Publication 4386

Information Document Request