

UT 19-03

TAX TYPE: USE TAX

TAX ISSUE: EXEMPTION FROM TAX (CHARITABLE AND OTHER EXEMPT ENTITIES)

**STATE OF ILLINOIS
DEPARTMENT OF REVENUE
OFFICE OF ADMINISTRATIVE HEARINGS
SPRINGFIELD, ILLINOIS**

**THE DEPARTMENT OF REVENUE
OF THE STATE OF ILLINOIS**

v.

**XYZ CENTER
OF QUALITY
Taxpayer**

Docket No. 18-ST-XXX
Letter ID: XXXXXXXXXXXX
Claim for Exemption Number

RECOMMENDATION FOR DISPOSITION

Appearances: Robin Gill, Special Assistant Attorney General, for the Department of Revenue of the State of Illinois; JOHN DOE, *pro se*, for XYZ CENTER OF QUALITY

Synopsis:

XYZ CENTER OF QUALITY (“taxpayer”) sent a request to the Department of Revenue (“Department”) for an exemption identification number in order to purchase tangible personal property at retail free from the imposition of retailers’ occupation and use taxes. The Department denied the request, and the taxpayer timely protested the denial. An evidentiary hearing was held during which the issue presented was whether the taxpayer is organized and operated exclusively for charitable purposes under section 3-5(4) of the Use Tax Act (35 ILCS 105/3-5(4)) and section 2-5(11) of the Retailers’ Occupation Tax Act (35 ILCS 120/2-5(11)). The taxpayer is a nonprofit organization that was created to strengthen the regional cybersecurity

workforce. The taxpayer engages in several activities, but its primary activity is to recruit and educate people for entry level cyber careers. The Department contends that the taxpayer is not organized and operated exclusively for charitable purposes because its primary purpose is to provide jobs to a targeted group of people. After reviewing the record, it is recommended that this matter be resolved in favor of the Department.

FINDINGS OF FACT:

1. The taxpayer is an Illinois not-for-profit corporation that was organized in 2015. (Dept. Ex. #1, pp. 31-34)
2. According to the taxpayer's articles of incorporation, its purposes are as follows:

XYZ CENTER OF QUALITY is a non-profit corporation and shall operate exclusively for educational and charitable purposes under section 501(c)(3) of the Internal Revenue Code or the corresponding section of any future federal tax code. The purposes of the XYZ CENTER OF QUALITY are the advancement of educational activities pertaining to cyber security and further developing the cyber security and information assurance workforce.

Activities and programs will include the management of cyber security trainings, in coordination with local universities, community colleges and technical trade schools for the purpose of workforce development; program administration for a XXXXXXXX program, in association with the national Youth Cyber Education Program; marketing and economic development campaigns to inform the public of security risks and offerings; research and development; and information sharing. Revenues will be generated from general fundraising activities, grant procurement and activity fees.

The XYZ CENTER OF QUALITY is not organized and shall not be operated for the private gain of any person. The property of the corporation is irrevocably dedicated to its educational and charitable purposes. No part of the assets, receipts, or net earnings of the corporation shall inure to the benefit of, or be distributed to, any individual. The corporation may, however, pay reasonable compensation for services rendered, and make other payments and distributions consistent with its founding purposes. (Dept. Ex. #1, pp. 31-34)

3. The taxpayer's bylaws contain a similar purpose statement, which also includes the following paragraph:

XYZ CENTER OF QUALITY will admit students of any race, color, national and ethnic origin to all the rights, privileges, programs, and activities made available to students at the school. It will not discriminate on the basis of race, color, national and ethnic origin in administration of its educational policies, admissions policies or scholarship programs. All programs will reduce barriers to entry by waiving or reducing fees as necessary. (Dept. Ex. #1, p. 14)

4. According to the taxpayer's brochure, the taxpayer was created to strengthen the regional cybersecurity workforce. The brochure includes the following:

[The taxpayer] was founded in response to a needs analysis and feasibility study commissioned by the LEADERSHIP COUNCIL OF ANYWHERE and the U.S. MILITARY. The data collected by REGIONAL CHAMBER highlighted an immediate need to increase the number of cybersecurity professionals in the Midwest region. (Dept. Ex. #1, p. 27)

5. The taxpayer considers itself a "backbone organization" that "will lead the region to become a cyber ecosystem [that] other communities will emulate." Its goal is to connect the region at the following levels: academic, nonprofit, corporate, military, and government. (Dept. Ex. #1, p. 27)
6. The taxpayer's activities involve three areas of concentration: (1) workforce development; (2) youth education; and (3) information sharing initiatives. (Dept. Ex. #1, pp. 4, 6; Tr. pp. 15-18)
7. With respect to workforce development, the taxpayer offers industry certifications and operates a REGISTERED APPRENTICE PROGRAM that it began in 2017. (Dept. Ex. #1, p. 6; Tr. p. 54)
8. The REGISTERED APPRENTICE PROGRAM is tailored for individuals who typically would not pursue a traditional education through college. The program is offered to

candidates who are 18 years or older, have at least a GED or high school diploma, are authorized to work in the United States, are able to pass a background check, and are able to achieve a minimum score on a basic and technical assessment. (Dept. Ex. #1, pp. 8, 26)

9. During 2017, the taxpayer worked with a local Workforce Innovation and Opportunity Act (WIOA) Board, which is an agency to promote workforce development. The WIOA Board advertised the apprenticeship program, and the taxpayer received its initial 600 applications. (Tr. pp. 20-21)
10. In 2018, the taxpayer took over the application process and began hosting an information session once a month in downtown METROPOLIIS. The sessions are free and open to anyone. Since its inception, 800 people have applied for the apprenticeship program, and 72 candidates are waiting for placement. There are 11 apprentices currently working. The taxpayer put the information sessions on hold while trying to place the 72 candidates with employers. (Tr. pp. 11-12, 16, 21, 27)
11. Before completing an application, a potential apprentice candidate must first pass a basic assessment that tests math, reading, and the ability to analyze data. There is no cost to take the test, and a potential candidate can take it several times. The test may be taken at any WIOA Board, and it is also administered by the taxpayer. (Tr. pp. 22-25)
12. Once the candidate passes the test, he or she must complete an application and pay a \$100 application fee. No one has asked for the fee to be waived, but one person asked to pay the fee on an installment basis, which the taxpayer allowed. The taxpayer believes that the candidates take the process more seriously by paying the fee. (Tr. pp. 22-24)

13. After completing the application, the candidate must complete a 30-day online IT fundamentals lab. It is the entry-level certification that covers computer basics. The taxpayer has not had any issues relating to candidates not completing the lab. The candidate must also pass a background check. (Tr. pp. 22-23, 25-26)
14. After completing the fundamentals lab and background check, the taxpayer interviews the candidate in order to match the candidate's personality and characteristics with the right employer. (Tr. p. 23)
15. The applicant has a network of Employer Partners ranging from corporations in the Fortune 500 such as INTERNATIONAL CORP. to local organizations such as the METROPOLIS SCIENCE CENTER. (Taxpayer Ex. #1, p. 9)
16. The taxpayer has two "Levels" in its apprenticeship program. Level 1 Apprentices are people who have some light work experience or college education who have not yet worked in IT. Level 2 Apprentices are people who already have at least 2 years of related schooling or experience in IT. A Level 2 Apprentice earns a higher starting wage and gets credit for some of their prior experience, which allows them to complete the apprenticeship and earn their certifications sooner. (Taxpayer Ex. #1, p. 9)
17. The taxpayer also has an 8 week Pre-Apprenticeship program, which trains pre-apprentices in the industry-recognized NIST framework. They apply this knowledge by doing pro-bono cybersecurity audits of local nonprofits and companies. This allows them to work on client engagement and public speaking skills to help them get job-ready. (Taxpayer Ex. #1, p. 9)
18. During the apprenticeship, the candidates initially earn \$XX an hour. As an apprentice learns new skills throughout the program, their wage increases. When apprentices have

completed their 2,000 hours of on-the-job training, the taxpayer pays the fees for the apprentice to take the CompTIA Security+ and CompTIA Network+ exams, which enables them to earn industry certifications to advance their careers.¹ They also receive a Certificate of Completion from the Department of Labor designating them a journeyman Cybersecurity Analyst. The 18-month program is open to adult learners with no prior IT-related experience. (Dept. Ex. #1, pp. 8, 26; Taxpayer Ex. #1, p. 9)

19. In May of 2017, the taxpayer also began operating the region's first 24 hour/7 days a week RESEARCH LAB (RL). The lab is a "hacker's space" where hackers at all levels, novice to expert, can learn, train, and collaborate. The lab is free and allows the community to develop cybersecurity skills. It is designed for anyone who wants to learn. (Dept. Ex. #1, p. 6; Taxpayer Ex. #1, p. 7)

20. For 2018, the taxpayer had a budget for 10 computers in the RL. On Tuesday and Wednesday, home school groups use the lab. Corporations sponsor the RL. (Dept. Ex. #1, p. 13; Tr. pp. 36, 48)

21. The taxpayer funds the apprenticeship program in two ways. First, if the employer hires the apprentice initially as a full-time employee for the 90-day probationary period, the taxpayer asks the employer for \$XXXX up front. After 60 days, if the employer plans to extend a full-time non-probationary offer after the 90-day probationary period, then the taxpayer asks for another \$XXXX. (Tr. pp. 29-30)

22. The second funding method is through contracting with the employer. The apprentice stays on the taxpayer's payroll, and the taxpayer pays the apprentice \$XX an hour. The taxpayer then bills the employer \$XX an hour. (Tr. pp. 30-31)

¹ The CompTIA Security+ and CompTIA Network+ exams were not further explained.

23. With respect to youth education, the taxpayer believes in preparing the cybersecurity workforce of tomorrow through youth outreach and education for K-12 students. (Taxpayer Ex. #1, pp. 10-11)
24. The taxpayer's representatives speak at career fairs and other events hosted by schools and nonprofit partners to advocate the importance of cybersecurity. During 2018, the taxpayer averaged one career fair per month, speaking to middle and high school students. (Taxpayer Ex. #1, pp. 10-11)
25. Marketing materials are distributed at career fairs at high schools and colleges. (Dept. Ex. #1, pp. 25-30; Tr. pp. 55-56)
26. In addition to speaking, the taxpayer makes cybersecurity "fun and engaging for students by creating opportunities for active learning." The taxpayer does this by regularly hosting cyber camps and hacking competitions for middle and high school students. The camps focus on teaching the students cybersecurity basics, and the competitions give them a chance to practice and hone their skills. (Dept. Ex. #1, p. 9; Taxpayer Ex. #1, pp. 10-11)
27. The taxpayer has hosted 2 camps a year, and each camp is 5 days from 9:00 a.m. to 12:00 p.m. In 2019, the taxpayer expects to host 3 camps. (Tr. pp. 61-62)
28. The camps are free. During the past three years, the taxpayer has had almost 2,000 kids attend the camps. Cybersecurity professionals volunteer to teach and help out at the camps and competitions. (Taxpayer Ex. #1, p. 10; Tr. pp. 13, 61)
29. With respect to youth education, the taxpayer has introduced CYBERUS to the region. CYBERUS is a national cyber defense competition for middle and high school students

that equips youth with the skills necessary to be tomorrow's cyber leaders.² During 2017, the taxpayer recruited 59 local teams for the event. (Dept. Ex. #1, p. 6; Taxpayer Ex. #1, p. 11; Tr. pp. 13, 17)

30. The taxpayer does not generate revenue from its youth programs. (Tr. pp. 31-32)
31. With respect to information sharing initiatives, the taxpayer is committed to making the region the next hub in cybersecurity, and its efforts combine the corporate, government, academic and nonprofit communities. (Dept. Ex. #1, pp. 6-7)
32. The information sharing initiatives are funded through corporate sponsorship. (Tr. p. 32)
33. The salary for the taxpayer's executive director was donated by a defense contractor for the first two years of his employment, from March of 2016 through March of 2018. (Tr. p. 51)
34. The taxpayer's 2018 budget includes a salary expense of \$XXXXXX. (Dept. Ex. #1, p. 12)
35. On the taxpayer's Form 990-EZ for the year 2016, the taxpayer showed income from contributions, gifts and grants in the amount of \$XXXXXX, and income from program service revenue in the amount of \$XXXXX for total income in the amount of \$XXXXXX. (Dept. Ex. #1, p. 67)
36. The taxpayer is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code pursuant to a determination made by the IRS on April 8, 2016. (Dept. Ex. #1, pp. 46-47)
37. The taxpayer has no capital, capital stock, or shareholders. (Dept. Ex. #1, pp. 31-32)

² The XXXXXXXX competition puts teams of high school and middle school students in the position of newly hired IT professionals tasked with managing the network of a small company. In the rounds of competition, teams are given a set of virtual images that represent operating systems and are tasked with finding cybersecurity vulnerabilities within the images and hardening the system while maintaining critical services in a six hour period. The top teams in the country earn all-expenses paid trips to CITY, STATE for the national competition where they can earn national recognition and scholarship money. (Dept. Ex. #1, p. 30)

CONCLUSIONS OF LAW:

The Use Tax Act (“Act”) (35 ILCS 105/1 *et seq.*) imposes a tax upon the privilege of using in Illinois tangible personal property purchased at retail from a retailer. 35 ILCS 105/3. Section 3-5(4) of the Act provides a list of tangible personal property that is exempt from the tax, and includes the following:

Personal property purchased by a governmental body, by a corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious, or educational purposes On and after July 1, 1987, however, no entity otherwise eligible for this exemption shall make tax-free purchases unless it has an active exemption identification number issued by the Department. 35 ILCS 105/3-5(4).

Section 2-5(11) of the Retailers’ Occupation Tax Act (“ROTA”) (35 ILCS 120/1 *et seq.*) contains a similar provision for personal property sold to these organizations. See 35 ILCS 120/2-5(11). Therefore, in order to receive the exemption identification number, the taxpayer must be “organized and operated” exclusively for charitable purposes. See also 86 Ill. Admin. Code §130.2005(j)(3). The term “exclusively” is not interpreted literally to mean the entity’s sole purpose; it is construed to mean the primary purpose. Yale Club of Chicago v. Department of Revenue, 214 Ill. App. 3d 468, 473 (1st Dist. 1991); Gas Research Institute v. Department of Revenue, 154 Ill. App. 3d 430, 436 (1st Dist. 1987).

In order to determine whether the taxpayer is organized and operated exclusively for charitable purposes, the following factors are considered: (1) whether the benefits derived are for an indefinite number of people, persuading them to an educational or religious conviction, for their general welfare or in some way reducing the burdens of government; (2) whether the organization has no capital, capital stock or shareholders, earns no profits or dividends, but rather derives its funds mainly from public and private charity and holds them in trust for the objects and purposes expressed in its charter; (3) whether the organization dispenses charity to all who

need and apply for it; (4) whether the organization does not provide gain or profit in a private sense to any person connected with it; (5) whether the organization does not appear to place obstacles of any character in the way of those who need and would avail themselves of the charitable benefits it dispenses; and (6) whether the organization is actually and factually operated primarily for charitable purposes. Wyndemere Retirement Community v. Department of Revenue, 274 Ill. App. 3d 455, 459 (2nd Dist. 1995) (citing Methodist Old Peoples Home v. Korzen, 39 Ill. 2d 139, 156-57 (1968)).³ These factors are balanced with an overall focus on whether and how the organization serves the public interest and lessens the State's burden. Du Page County Board of Review v. Joint Commission on Accreditation of Healthcare Organizations, 274 Ill. App. 3d 461, 466 (2nd Dist. 1995). Whether an institution has been organized and is operating exclusively for an exempt purpose is determined from its charter, bylaws and the actual facts relating to its method of operation. *Id.*

The taxpayer has the burden of proving by clear and convincing evidence that it is entitled to the exemption. Rogy's New Generation, Inc. v. Department of Revenue, 318 Ill. App. 3d 765, 771 (1st Dist. 2000); Wyndemere, *supra*; Gas Research Institute, *supra*. It is well-settled that tax exemption provisions are strictly construed in favor of taxation. *Id.*; Heller v. Fergus Ford, Inc., 59 Ill. 2d 576, 579 (1975). All facts are construed and all doubts are resolved in favor of taxation. *Id.* To prove its case, a taxpayer must present more than its testimony denying the Department's determination. Sprague v. Johnson, 195 Ill. App. 3d 798, 804 (4th Dist. 1990); Balla v. Department of Revenue, 96 Ill. App. 3d 293, 296 (1st Dist. 1981). The taxpayer must present sufficient documentary evidence to support its claim. *Id.*

³ Because these factors are also used to analyze charitable exemptions from property taxes, cases involving property taxes will also be cited. See Wyndemere, *supra*.

The Department argues that the taxpayer is not organized and operated for charitable purposes and does not meet the standards set forth in Methodist Old Peoples Home, *supra*. The Department contends that the primary function of the organization is to provide jobs to a targeted group of people. The taxpayer provides work opportunities, and the apprentices get a salary. The Department contends that the taxpayer provides services to other entities for a fee. The Department believes that the taxpayer does not benefit an indefinite number of people, and its funds are not derived mainly from public or private charity. The Department argues that the taxpayer does not give charity to all who need it and places barriers in the way of those seeking its charitable benefits.⁴

The taxpayer argues that it is a charitable organization because it is bettering lives and improving people's circumstances, which is the inherent goal of most nonprofits. The taxpayer contends that other charitable organizations, such as organizations for cancer or diabetes research, Catholic charities or homeless shelters, are trying to solve some sort of epidemic problem. The taxpayer states that its goal is to increase the region's workforce, which is a need. The taxpayer indicates that there are currently 290,000 open positions for cybersecurity in our country, and the taxpayer has cited statistics concerning the inadequate number of qualified cybersecurity talent worldwide. The taxpayer contends that it offers two solutions to the problem. First, it created the REGISTERED APPRENTICE PROGRAM. Second, it hosts camps and competitions that focus on teaching middle and high school students cybersecurity basics and give them the chance to practice and hone their skills.⁵ (Dept. Ex. #1, pp. 8-9)

⁴ The Department has not argued that any person has privately gained or profited from the organization. Because the 2018 budget shows a salary expense of \$XXXXXX, I believe that the taxpayer has met this factor.

⁵ The taxpayer's brochure also discusses scholarships as a third solution, but the taxpayer's representative testified that the taxpayer has stopped its scholarship program. (Tr. p. 39)

The taxpayer believes it qualifies as a charitable organization because it has done a good job of engaging communities, youths, and adults and has provided a great quality service that has been recognized both regionally and nationally. The taxpayer believes that it is no less charitable than a college or university. The taxpayer indicated that its bylaws state that the \$XXX application fee will be waived if an applicant is unable to pay. The taxpayer does not advertise its fee waiver policy because it believes that if it did, then everyone would ask for the waiver. The taxpayer also believes that the number of applicants would increase substantially if the fee waiver was advertised. The taxpayer contends that the \$XXX fee is beneficial to the applicant because it requires the applicant to take the process more seriously.

In order to determine whether the taxpayer is a charitable organization for purposes of receiving an exemption identification number, the taxpayer's primary activity must be determined. An exclusively charitable purpose is not interpreted literally to mean the organization's sole purpose; it is construed to mean the primary purpose but not an incidental or secondary purpose. Gas Research Institute, at 436. If a substantial purpose or activity of the taxpayer is not charitable, it cannot be said to be organized and operated exclusively for charitable purposes within the meaning of the Act. *Id.*

According to the articles of incorporation and bylaws, the taxpayer's purpose is the advancement of educational activities pertaining to cyber security and the further development of the cyber security and information assurance workforce. In order to fulfill these purposes, the evidence indicated that the taxpayer has three areas of concentration: (1) workforce development; (2) youth education; and (3) information sharing initiatives. The record includes very little information about the third area, information sharing initiatives, and it, therefore, cannot be found that this is a primary activity of the taxpayer.

With respect to youth education, the evidence does not support a finding that the taxpayer's youth activities constitute the taxpayer's primary activities. The taxpayer's youth activities have been limited to speaking at schools and hosting camps and hacking competitions. During 2018, the taxpayer averaged speaking to middle and high school students once a month. In 2018, the taxpayer hosted 2 camps; each camp was 5 days from 9:00 a.m. to 12:00 p.m. Although it takes time to prepare for the camps, it cannot be found that the camps took a significant amount of the taxpayer's time. The amount of time devoted to hacking competitions was not specifically identified. Even though these activities appear to be charitable, the evidence does not support a finding that they are the taxpayer's primary activity.

With respect to workforce development, the taxpayer has two activities: the RESEARCH LAB (RL) and the REGISTERED APPRENTICE PROGRAM. The RL is a free "hacker's space" where hackers at all levels can develop cybersecurity skills. Although little evidence was provided regarding the RL and it may be a charitable activity, it does not appear to be the primary activity of the taxpayer. From the evidence presented, the primary activity of the taxpayer is the REGISTERED APPRENTICE PROGRAM. The evidence does not, however, show clearly and convincingly that this apprentice program meets the guidelines for charitable purposes in Methodist Old Peoples Home, *supra*.

The first guideline has not been met because the apprentice program does not benefit an indefinite number of people. The taxpayer has had 800 individuals apply for the program and 72 candidates go through the process, which is 9% of the applicants. There are 11 apprentices currently working. The taxpayer indicated that the number of candidates is small because it is up to each individual to complete each step of the process. (Tr. pp. 14, 19-20) Near the end of 2018, the taxpayer put its information sessions on hold while trying to place the 72 candidates

with employers because it does not want to have too many candidates waiting for jobs. It is clear from the small number of candidates that a very limited number of people actually benefit from the taxpayer's apprentice program. The limited number of people who benefit support a finding that the first guideline has not been met.

In addition, it must be noted that in Gas Research Institute, *supra*, the court denied a charitable sales tax exemption to the taxpayer on the sole basis that the taxpayer did not directly benefit the general public. The taxpayer in that case was organized by members of the natural gas industry and was overseen and operated by members of the industry. The court found that its primary purpose was to enhance the position of natural gas in the energy marketplace, and any indirect benefit to the general public was essentially incidental. Gas Research Institute, at 436-437. In the present case, although the general public may indirectly benefit from a stronger cybersecurity workforce, the development of this workforce through the use of apprentices does not directly benefit the general public.

The taxpayer meets the second guideline because it has no capital, capital stock, or shareholders, and during 2016, the majority of the taxpayer's income was from contributions, gifts and grants. This guideline is not, however, determinative of an organization's entitlement to a charitable tax exemption. See Provena Covenant Medical Center v. Department of Revenue, 384 Ill. App. 3d 734, 746 (4th Dist. 2008), *aff'd*, 236 Ill. 2d 368 (2010). The guidelines of dispensing charity to all who need and apply for it and placing no obstacles in their way "go to the heart of what it means to be a charitable institution." Provena, at 750.

In Provena, the court reaffirmed that charity is a "gift." *Id.* "'Charity' is an act of kindness or benevolence... 'Charity' is 'generosity and helpfulness, especially toward the needy

or suffering'...." *Id.* The court added that to be charitable, an organization must give liberally. *Id.* The court also stated that a gift is, by definition, free goods or services. *Id.*, at 751.

The taxpayer's apprentice program is not, *per se*, a charitable activity because it does not involve a gift. The primary goal of the program is to provide a candidate with employment, which undoubtedly is greatly appreciated by the candidate, but employment is not a gift. Any free training or certifications that the taxpayer provides are incidental to the goal of providing the candidate with a job. The taxpayer's charitable acts are not enough to find that the taxpayer is primarily operated for charitable purposes.

It is also worth noting that the 30-day online IT fundamentals lab is not offered until after the candidate pays a \$XXX application fee. Although the bylaws indicate that this fee will be waived if necessary, this fee waiver policy is not advertised in any way because the taxpayer wants the applicants to take the process seriously. Public notice of a fee-waiver policy is not an indispensable fact for a charitable tax exemption (see Randolph Street Gallery v. Zehnder, 315 Ill. App. 3d 1060, 1068 (1st Dist. 2000)), but failing to advertise the policy is one factor to consider.

The taxpayer has argued that it is no less charitable than a college or university, but a college or university would qualify for the educational purposes exemption. The First District Appellate Court has found that a carpentry apprentice program, which has aspects similar to the taxpayer's apprentice program, does not qualify for an educational purposes exemption because it does not fit into the general scheme of education founded by the State and supported by public taxation. See Chicago and Northeast Illinois District Council of Carpenters Apprentice and Trainee Program v. Department of Revenue, 293 Ill. App. 3d 600 (1st Dist. 1997). For the same

reason, the taxpayer's apprentice program would not qualify for the educational purposes exemption.

The apprentice program is certainly a commendable way to increase the number of cybersecurity professionals. The taxpayer provides an important service for the community that promotes the well-being of society, but pursuing a noble cause does not necessarily warrant an exemption. The taxpayer's program is laudable, but laudable acts do not necessarily constitute charity. Rogers Park Post No. 108, American Legion v. Brenza, 8 Ill. 2d 286, 291 (1956); Turnverein Lincoln v. Board of Appeals of Cook County, 358 Ill. 135, 144-145 (1934). The taxpayer must establish clearly and convincingly that it is organized and operated primarily for charitable purposes.

As previously mentioned, exemption provisions are strictly construed, and all doubts must be resolved in favor of taxation. Rogy's New Generation, *supra*; Wyndemere, *supra*; Gas Research Institute, *supra*. Because the evidence presented in this case falls short of showing clearly and convincingly that the taxpayer is organized and operated primarily for charitable purposes, the exemption must be denied.

Recommendation:

For the foregoing reasons, it is recommended that the taxpayer's request for an exemption identification number be denied.

Linda Olivero
Administrative Law Judge

Enter: May 3, 2019