Internal Revenue Code Election Under IRS Ruling 70-604

Purpose

The purpose of 70-604 IRS Ruling is to allow homeowners associations to carry-over excess membership income over membership expenses to the next year without paying income tax on the excess.

Approval of the revenue ruling by the membership allows the association the option to file the most cost-effective tax form. If the resolution is not approved, then the association will not be able to take advantage of Revenue Ruling 70-604 and may therefore be open to paying higher taxes on any excess membership income.

This election must be made each year and should be made prior to the end of the fiscal year. The membership must vote to approve the revenue ruling.

Resolution:

The members of the Mammoth Estates Homeowners Association consent to the election of IRS Revenue Ruling 70-604 for the tax advantaged treatment membership income.

Date: June 27, 2026