



ARIZONA STATE UNIVERSITY

May 15, 2008

To: Donors and Sponsors

Subject: Federal Tax Status of Arizona State University

The Arizona Board of Regents (ABOR) is a constitutionally created political subdivision of the State of Arizona. Arizona State University (ASU) is a state university under the jurisdiction of ABOR.

Under Section 115 of the Internal Revenue Code (the "Code"), income derived by a state political subdivision from the exercise of an essential governmental function is not subject to federal income tax. Therefore, income derived by ASU is not subject to federal income tax pursuant to Section 115 of the Code.

As a consequence to qualifying under the provisions of Section 115 of the Code, the following should be noted:

- Taxpayers are allowed to claim charitable contribution deductions under Section 170 of the Code for gifts, grants, or contributions to ASU in the same manner and to the same extent as if ASU were a tax-exempt organization under Section 501(c)(3) of the Code.
- ASU is not a private foundation as defined in Section 509(a) of the Code because that section only relates to those organizations that are tax-exempt under Section 501(c)(3) of the Code.
- ASU, as a state political subdivision, is not required to file annual Forms 990 with the IRS.

A copy of the determination letter from the Internal Revenue Service dated March 17, 1994 to ASU Comptroller and Treasurer confirming the tax status of ASU is attached. Please contact the ASU Office of General Counsel with any questions about the tax status of ASU.

Sincerely,

A handwritten signature in black ink, appearing to read 'Paul J. Ward', with a long horizontal flourish extending to the right.

Paul J. Ward
Vice President for University Administration
And General Counsel

Attachment

OFFICE OF GENERAL COUNSEL

300 EAST UNIVERSITY DRIVE, SUITE 335
P.O. BOX 877405, TEMPE, AZ 85287-7405
(480) 965-4550 FAX: (480) 965-0984

Internal Revenue Service

Department of the Treasury

District
Director

P.O. Box 2350 Los Angeles, Calif. 90053

MR. GERALD E. SNYDER
COMPTROLLER & TREASURER
ARIZONA STATE UNIVERSITY
BOX 870103
TEMPE, ARIZONA 85287-0103

Person to Contact:
L. BARRAGAN
Telephone Number:
(213) 894-2336
Refer Reply to:
EO (0310) 94
Date:

MAR 17 1994

RE: ARIZONA STATE UNIVERSITY

Gentlemen:

This letter is in response to your request for a copy of the determination letter for the above named organization.


The Internal Revenue Code makes no provision for the issuance of exemption letters to instrumentalities of a state or municipal government since Section 115 of the Code excludes their income from the definition of gross income.

According to IRC Section 170, there shall be allowed as a deduction any charitable contribution (payment of which is made within the taxable year) to a governmental unit.

Section 170(C) defines the term "charitable contribution" as a contribution or gift to or for the use of "A state, possession of the United States, or any political subdivision of any of the foregoing, or the United States or the District of Columbia, but only if the contribution or gift is made for exclusively public purposes."

If you need further assistance, please contact our office at the above address.

Sincerely,


LUCILLE BARRAGAN
Disclosure Assistant