March 1, 2002

To Whom it May Concern:

The Arizona Board of Regents is a constitutionally created political subdivision of the State of Arizona. [Arizona Constitution Article XI §§ 1 and 5 and Arizona Revised Statutes §§ 15-1601 and 15-1626] The Arizona Board of Regents acting for and on behalf of Arizona State University (ASU) is exempt from United States federal income tax pursuant to 26 U.S.C. § 115. That provision excludes from the definition of gross income and thereby exempts from federal income tax any “income derived from . . . the exercise of any essential governmental function and accruing to a State or any political subdivision thereof. . . .” More specifically, according to 26 U.S.C. § 170, a deduction is allowed for any charitable contribution to a governmental unit. The Internal Revenue Service confirmed this in a letter dated March 17, 1994, to Mr. Gerald Snyder, Comptroller and Treasurer of ASU. (copy enclosed)

Please direct any questions you may have about the tax-exempt status of Arizona State University to this office for resolution.

Sincerely,

Paul J. Ward
Vice President and General Counsel

Enclosure