

UNIVERSITY OF MINNESOTA

Twin Cities Campus

University Tax Management Office

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To Whom It May Concern:

The Internal Revenue Service has ruled, at the request of the University, that the Regents of the University of Minnesota (University) is an "integral part" of the State of Minnesota for federal tax purposes. As such, the University is exempt from federal income tax, except the tax on unrelated business income. Furthermore, the University's governmental status means that the University is an eligible recipient of charitable contributions for federal income, estate and gift tax purposes. Because the University is a governmental unit, the IRS no longer treats it as an organization described in Section 501(c)(3). The IRS has described the tax benefits applicable to contributions received by the University of Minnesota as follows:


Because we have determined that the University of Minnesota is an integral part of the State of Minnesota for federal tax purposes, contributions to or for the use of the University are contributions to or for the use of a state. Accordingly, contributions to or for the use of the University are contributions to or for the use of an entity described in section 170(c)(1) of the Internal Revenue Code of 1986, as amended, and are for exclusively public purposes and are therefore generally deductible under section 170(a)(1) as contributions to a "governmental unit" described in section 170(b)(1)(A)(v). Furthermore, bequests and gifts made to the University are deductible for federal estate and gift tax purposes under section 2055(a)(1) and section 2522(a)(1), respectively.

As a governmental unit, the University is not a private foundation for the purposes of either the income tax deduction limitations on charitable contributions by taxpayers or the taxable expenditure rules for grants made by private foundations. See code §170(b)(1)(A)(v); Treas. Reg. § 53.4945-5(a)(4)(ii).

For tax purposes the University is NOT a:

- 501(c)(3) charitable organization;
- trust described in 401(a);
- private foundation;
- 501(c)(17) trust;
- 642(c) trust;
- natural person;
- 414(d) governmental plan;
- 501(c)(9) VEBA;
- corporation, limited liability company or partnership;
- trust or estate.

If further clarification is required on the tax-exempt status of the University of Minnesota, please contact the Tax Management Office at the email, phone number, or address identified in the letterhead above.


Kelly D. Farmer, CPA
University Tax Director
May 14, 2013