

August 1, 2013

To: Donors and Sponsors

Re: Federal Tax Status of University of Massachusetts Boston

The University of Massachusetts Boston (UMass Boston) is tax-exempt under section 115 of the Internal Revenue Code and under the doctrine of intergovernmental tax immunity. Section 115 provides tax-exemption for "income derived from the exercise of any essential governmental function." In Revenue Ruling 75-436, the Internal Revenue Service recognized that citizen education was an essential governmental function.

UMass Boston, as most other state institutions, has neither applied for nor received tax exempt status under Section 501(c)(3) of the International Revenue Code. However, since the University of Massachusetts Boston is subject to the provisions of Section 115 of the IRS 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 UMass Boston in the same manner and to the same extent as if UMass Boston were a tax-exempt organization under Section 501(c)(3) of the Code. For income tax purposes, section 170 provides that donations made for exclusively public purposes, to or for the use of a state or political subdivision, are deductible against the taxable income of individuals, corporations, and other taxpayers, subject to various limitations. For estate tax purposes, section 2055(a) provides that bequests, legacies, devises, or transfers made by an estate for exclusively public purposes, to or for the use of any state or political subdivision, are deductible from the value of the gross estate subject to various limitations. For gift tax purposes, section 2522(a) provides that transfers made for exclusively public purposes, to or for the use of any state or political subdivision, are deductible in computing taxable gifts subject to various limitations. The Internal Revenue Service has ruled (Private Letter Rulings 8336068, 8935012, and 9017014) that contributions to state universities qualify as being made for "exclusively public purposes" and "to or for the use of" a state.

On 11/02/2004, the IRS described the UMass Boston's tax status – a link to that letter can be found [here](#). If donors prefer to contribute to UMass Boston through a 501(c)(3) organization, they are able to contribute through the University of Massachusetts Foundation, Inc.

Sincerely,

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