



## INDIANA UNIVERSITY

OFFICE OF THE TREASURER

To Whom it May Concern:

Indiana University (IU) is a public university and governmental entity established pursuant to Indiana Code section 21-20-2-1 as the university of the State of Indiana.

IU is considered an “integral part” of the State for federal tax purposes, and as such, is a tax-exempt organization. Per Revenue Ruling 87-2, income earned by an integral part of a state is not taxable in the absence of specific statutory authorization for taxing such income.

IU’s tax-exempt status is equivalent to the status of an organization tax exempt under section 501(a) of the Internal Revenue Code (Code), such as a 501(c)(3) organization; however, IU’s exempt status is not dependent on Section 501(a).

As a public university, IU exists to serve the public. IU carries out this mission through its non-profit purposes of education, research, and service to the community.

Under Code Section 170(c)(1), IU, as a governmental entity, is an eligible recipient of charitable contributions for federal income, estate and gift tax purposes. Likewise, those charitable contributions may be deducted by donors for federal income, estate, and gift tax purposes. Such contributions and gifts are used by IU exclusively for public purposes.

IU is described under both section 170(b)(1)(A)(ii) of the Code as an “educational organization” and under section 170(b)(1)(A)(v) as a “governmental unit,” and as such, is classified as a public charity, and not a private foundation, under section 509(a)(1).

As a governmental entity, IU is not required to file Form 990, *Return of Organization Exempt from Income Tax*. See section 6033(a) of the Code.

For more information, please see the attached governmental information letter that the IRS has provided in lieu of a determination letter. The IRS no longer issues determination letters to governmental entities.

Please do not hesitate to contact us with any further questions.



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Sincerely,

Donald S. Lukes  
Treasurer, Indiana University

*Donald S. Lukes*  
*Electronically signed*  
*by: Donald Lukes*  
*Date: Aug 11, 2023*  
*08:59 EDT*



Department of the Treasury  
Internal Revenue Service

P.O. Box 2508  
Cincinnati OH 45201

In reply refer to: 0752251763  
Dec. 18, 2020 LTR 4076C 0  
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BODC: TE

INDIANA UNIVERSITY  
400 E 7TH ST RM 501  
BLOOMINGTON IN 47405-3004



007478

Taxpayer identification number: 35-6001673  
Person to contact: Customer Service  
Toll-free telephone number: 877-829-5500

Dear Taxpayer:

We received your request dated Dec. 09, 2020, asking about your federal tax status. Our records don't specify your federal tax status. The following information about the tax treatment of state and local governments and affiliated organizations may help you.

#### GOVERNMENTAL UNITS

Governmental units, such as states and their political subdivisions, generally are not subject to federal income tax. Political subdivisions of a state are entities with the authority to exercise one or more of the sovereign powers of the state: taxation, police powers, or eminent domain. They typically include counties or municipalities and their agencies or departments. Charitable contributions to governmental units may be tax-deductible under Internal Revenue Code (IRC) Section 170(c)(1) if made for an exclusively public purpose. Generally, grantors and contributors may rely on the status of governmental units based on state or local law in determining the deductibility of their contributions.

#### AFFILIATED ORGANIZATIONS

##### \* INSTRUMENTALITIES

In general, an instrumentality is an entity separate from, but affiliated with, a state or local government, and lacking any sovereign powers. Instrumentalities generally are subject to federal income tax. However, they may be recognized as tax-exempt under IRC Section 501(a) as organizations described in IRC Section 501(c), including IRC Section 501(c)(3). In addition, the income of a state or local government instrumentality may be excluded from gross income if it meets the requirements of IRC Section 115(1).

##### \* ENTITIES MEETING THE REQUIREMENTS OF IRC SECTION 115(1)

An entity that is not a governmental unit but that performs an essential governmental function may qualify for an income exclusion under IRC Section 115(1). If the entity's income (1) is derived from a

INDIANA UNIVERSITY  
400 E 7TH ST RM 501  
BLOOMINGTON IN 47405-3004

public utility or the exercise of an essential governmental function, and (2) accrues to a state, a political subdivision of a state, or the District of Columbia, it may be excluded from gross income. Charitable contributions to these entities may not be tax deductible to the donors.

#### RULING LETTERS

To receive a ruling on its status as a political subdivision or instrumentality of a government, or on whether its income is excluded from gross income under IRC Section 115(1), a governmental unit or affiliated organization may request a letter ruling by following the procedures in Revenue Procedure (Rev. Proc.) 2019-1 or its annual successor. There is a fee associated with obtaining a letter ruling.

#### TAX-EXEMPT CHARITABLE ORGANIZATIONS

An organization affiliated with a state, county, or municipal government may qualify for exemption from federal income tax under IRC Section 501(c)(3), if (1) it is not an integral part of the government, and (2) it does not have governmental powers inconsistent with exemption (such as the power to tax or to exercise enforcement or regulatory powers). Note that an affiliated organization may meet the requirements of both IRC Sections 501(c)(3) and 115(1) under certain circumstances. See Rev. Proc. 2003-12, 2003-1 C.B. 316, for more information.

Most entities must file a Form 1023, Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code, or Form 1023-EZ, Streamlined Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code, to be recognized as exempt from federal income tax under IRC Section 501(c)(3), and to ensure that any charitable contributions they receive are tax-deductible to contributors under IRC Section 170(c)(2).

#### ADDITIONAL INFORMATION

This letter does not determine that you have a particular tax status. If you're unsure of your status, you can:

- Visit [www.irs.gov/government-entities/federal-state-local-governments](http://www.irs.gov/government-entities/federal-state-local-governments) for government entity information.
- Visit [www.stayexempt.irs.gov](http://www.stayexempt.irs.gov), an IRS site created especially for 501(c)(3) organizations.
- Read Publication 4220, Applying for 501(c)(3) Tax-Exempt Status.
- Seek a private letter ruling, following the procedures in Rev. Proc. 2019-1, 2019-1 I.R.B. 1 (updated annually).

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You can get the forms or publications mentioned in this letter from our website [www.irs.gov/forms-instructions](http://www.irs.gov/forms-instructions) or by calling 800-TAX-FORM (800-829-3676).

If you have questions, you can call the contact person shown above between 8 a.m. and 5 p.m., local time, Monday through Friday (Alaska and Hawaii follow Pacific time).

Keep a copy of this letter for your records.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Teri M. Johnson".

Teri M. Johnson  
Operations Manager, AM Ops. 3

