



Stephen S. Dunliam Vice President and General Counsel (\$14) \$67-408\$ FAX: (\$14) \$67-4081 E-mail: ssd13@pst.edu

The Pennsylvania State University 108 Old Main University Park, PA 16802-1503

OFFICE OF

JAN 1 0 2013

January 9, 2013

SPONSORED PROGRAMS

Rodney A. Erickson, Ph.D. President The Pennsylvania State University 201 Old Main University Park, PA 16802

Re:

Tax Deductibility of Charitable Contributions to

The Pennsylvania State University Tax Identification No.: 24-6000-376

Dear Dr. Erickson:

As General Counsel of The Pennsylvania State University, I am providing an opinion with regard to the University's tax-exempt status and the deductibility of contributions to the University.

The Pennsylvania State University is the Land Grant University of the Commonwealth of Pennsylvania. It has provided programs in instruction, research, and public service in accord with the Charter of the University for over one hundred and fifty years. The Pennsylvania State University is an instrumentality of the Commonwealth of Pennsylvania, providing the essential government function of higher education. Section 115 of the Internal Revenue Code provides that "income derived from the exercise of any essential governmental function" is exempt from Federal Income Tax. In Revenue Ruling 75-436, the Internal Revenue Service recognized that citizen education was an essential governmental function. As such, The Pennsylvania State University is tax-exempt under Section 115 of the Internal Revenue Code. This tax-exempt status granted under Section 115 precludes any requirement of obtaining any additional specific exemption under Internal Revenue Code Section 501(c)(3).

The University is not a private foundation by virtue of the exemptions in Section 509(a)(1) and (2). Because the University has not sought tax-exempt status under Section 501(c)(3) of the Internal Revenue Code, it has not formally established its non-private foundation status with the Internal Revenue Service.

[&]quot;Penn State is committed to affirmative action, equal opportunity and the diversity of its workforce."

Contributions to The Pennsylvania State University are deductible against the taxable income of individuals, corporations and other taxpayers, subject to various limitations, for Federal Income Tax purposes by virtue of Internal Revenue Code 170(c) and 170(b)(1)(A)(ii), and the applicable regulations thereunder.

Enclosed is a copy of a letter dated September 9, 1949, to the University from the United States Treasury Department to the effect described above.

This opinion letter may be disclosed to any person or distributed in any manner the University shall deem appropriate.

Sincerely,

Stephen S. Dunham

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Vice-President and General Counsel The Pennsylvania State University

Enclosure

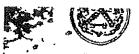
cc: J

Joseph J. Doncsecz

Rodney P. Kirsch

Michael J. Degenhart

John Hanold



U. S. TREASURY DEPARTMENT

WASHINGTON 25

BEARDER OF INTERNAL

CONTRACTOR Light Mark City and the tour dark for

IT:P:Eh 证法

The Fennsylvania State College:

State College, Pennsylvania

Jentlemen:

Reference is made to your letter of August 30, 1949 forwarding an arridavit executed by Mr. S. N. Hostetter; Assistant to the President, with respect to your status for Federal income tax purposes. Your letter and attachment were in raply to office letter dated August 16, 1949 which was addressed to The Nittony Lion Inn requesting it to furnish certain evidence for use in determining its status for Federal income tax purposes.

The information furnished shows that The Nitteny Lion Inn. owned by you in its entirety, having no separate corporate existence, is used as a tractical laboratory by the School of Home Touronics. It is further shown that you are a governmental acency of the Commonwealth of Pernsylvenia, operating under the land grant acts.

Based upon the information furnished, it is held that you ere en instrumentality of the Commonwealth of remnsylvenia, and as such, you are not subject to Federal income tax. Accordingly, Bureau ruling dated October 39, 1934, holding you to be entitled to exemption from Federal inco.e tax under the provisions of section 101(6) of the hevenue Act of 1904 and corresponding provisions of prior revenue acts and bureau ruling dated April Da, 1938, affirming your exempt status under the provisions of section 101(6) of the Revenue Lat " 1985, are hereby modified to that extent.

Contributions one to you are deductible by the donors in arriving at their taxable het income in the mannor and to the extent provided by section CS(s) and (q) of the internal Howenue Code, as a moded, and correst onding provisions of prior revenue

Bequests, legacing, devises or transfers, to or for your uses are deductible in erroving at the value of the act estate of a decedent for estate tax purposes in the maner and to the extint provided by sections H12(d) and H61(e)(3) of the Code and/or

? - The Pennsylvaniu State College

corresponding provisions of prior revenue acts. Cifts of property to you are deductible in computing het gifts for wift the purposes in the manner and to the extent provided in section 1004(a)(2)(a) and 1004(b)(5) and (3) of the Code and/or corresponding provisions.

This ruling is clad applicable to the Kittany Lion Inn which

The collector of internal resence for your district is being vised of this action.

Ey direction of the Commissioner

Very truly yours

Deputy Corriect oper