

*Tax Department
Office of Associate Vice President
for Budget and Finance,
Chief Financial Officer and Treasurer*

*1300 South Second Street, Room 288
Minneapolis, MN 55454
612-624-1053
Fax: 612-625-9841*

To Whom It May Concern:

The Internal Revenue Service has ruled, at the request of the University, that the University of Minnesota 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) to the extent otherwise provide in section 170. Specifically, charitable contributions to the University are 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 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).

If further clarification is required on the tax-exempt status of the University of Minnesota, please contact me at the phone number and address identified in the letterhead above or use my email address of kdf@umn.edu.



Kelly D. Farmer, CPA
University Tax Director





CERTIFICATION
PROGRAM

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
PHILADELPHIA, PA 19255

Date: 09/09/2004

Taxpayer: REGENTS OF THE UNIV OF MINNESOTA

TIN: 41-6007513

Tax Year: 2004

I certify that the above-named entity is a State, or political subdivision of a State, or an agency, instrumentality, or public educational organization of a State or political subdivision, which is exempt from U.S. tax under the Internal Revenue Code, and is a resident of the United States of America for purposes of U.S. taxation.

A handwritten signature in black ink that reads "Daniel J. Nally".

Daniel J. Nally
Field Director, Philadelphia Accounts Management Center

Certified for France