

TAX-EXEMPT STATUS

COPY

TREASURY DEPARTMENT
Washington

Office of
Commissioner of Internal Revenue

Address Reply to
Commissioner of Internal Revenue
and refer to
IT:P:T:1
CQ

SEP 14 1939

The Regents of the University of California,
Berkeley, California.

Attention: Luther A. Nichols,
Comptroller.

Sirs:

Reference is made to the information furnished by you for use in determining your status for Federal income tax purposes. The question of your exemption arose in connection with the Wilmerding School of Industrial Art, San Francisco, California.

The evidence discloses that you are the regularly constituted state university of the State of California created by a state legislative act in 1868; that you are engaged in educational activities; that your income is derived from investments, endowments, tuition, and miscellaneous sources; and that your income is used to defray general maintenance and operating expenses. The Wilmerding School of Industrial Art is under your control and is administered as a preparatory school and junior college.

It appears that you and your constituent schools are entitled to exemption under the provisions of section 101(6) of the Revenue Act of 1938 and the corresponding provisions of prior revenue acts. You are not, therefore, required to file returns for 1938 and prior years. Inasmuch as section 101(6) of Internal Revenue Code (53 Stat., Part 1) is similar to section 101(6) of the Revenue Act of 1938, returns of income will not be required for 1939 and subsequent years so long as there is no change in your organization, your purposes or your method of operation.

Any changes in your form of organization or method of operation, as shown by the evidence submitted, must be immediately reported to the collector of internal revenue for your district in order that the effect of such changes upon your present exempt status may be determined.

The exemption referred to in this letter does not apply to taxes levied under other titles or provisions of the Revenue Act of

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1938 and the corresponding provisions of prior revenue acts, or the Internal Revenue Code except insofar as exemption is granted expressly under these provisions to organizations enumerated in section 101(6) of the Revenue Act of 1938 and the corresponding provisions of prior revenue acts or in section 101 of the Internal Revenue Code.

Contributions made to you by individual donors are deductible by such individuals in arriving at their taxable net income in the manner and to the extent provided by section 23 (o) of the Revenue Act of 1938 and the corresponding provisions of prior revenue acts, section 23(o) of Internal Revenue Code and section 23(o) of Internal Revenue Code as amended by section 224 of the Revenue Act of 1939. The deductibility of contributions by corporations is governed by section 23(q) of the Revenue Acts of 1936 and 1938, section 23(q) of Internal Revenue Code and section 23(q) of Internal Revenue Code as amended by section 224 of the Revenue Act of 1939.

A copy of this letter is being transmitted to the collector of internal revenue for your district.

By direction of the Commissioner.

Respectfully,

F. MOONEY

Deputy Commissioner.