



Tax Identification Number: 04-3167352

September 30, 2020

## Tax Determination Memo

The University of Massachusetts (UMass) is a governmental unit and as such is exempt from tax under the doctrine of implied statutory immunity either as a political subdivision or as an integral part of the Commonwealth of Massachusetts (Commonwealth). The University qualifies as a public charity eligible to receive charitable contributions under Section 170(b)(1)(A)(ii). Under this section, the IRS defines an Educational Institution and it includes Federal, State, and other public-supported schools.

Therefore, grants and donations to UMass for public purpose are considered charitable donations and as such may be deductible against taxable income.

### Details

States are exempt from federal taxes under implied statutory immunity, meaning that unless Congress is explicit that a statute applies to a state, they are not subject to the provisions of the Internal Revenue Code (I.R.C.). As UMass is exempt statutorily, it does not have to apply for and receive exemption from tax (i.e., the administrative procedure whereby it would apply and receive a determination letter from the Internal Revenue Service as to its tax-exempt status).

As a political subdivision of the Commonwealth, UMass is not classified as a § 501(c)(3), charitable organization or a § 115 entity and does not have a determination letter; in fact, there is no provision in the I.R.C. whereby a public entity must obtain a determination letter to receive charitable contributions. For that reason, grant sponsoring organizations and donors can rely upon this status to make charitable contributions to the State University campuses in accordance with I.R.C. § 170(c)(1).

### Specifically – I.R.C. § 170:

*§ 170(a)(1) “General rule – There shall be allowed as a deduction any charitable contribution (as defined in subsection [c]) payment of which is made within the taxable year...”*

*§ 170(c) “Charitable Contribution Defined – For purposes of this section, the term ‘charitable contribution’ means a contribution or gift to or for the use of (1) A State, a possession of the United States, or any political subdivision of any of the foregoing... but only if the contribution or gift is made for exclusively public purposes.”*

### Option

If donors prefer to contribute to a § 501(c)(3) organization, they can contribute to the University of Massachusetts Foundation, Inc.

Sincerely,

A handwritten signature in black ink that reads "Andrew Russell".

Andrew Russell

Senior Assistant VP of Operations & Associate Treasurer