




MEMORANDUM

TO: Potential Granting Agencies

FROM: Scot Sauder, Esq., Deputy University Counsel for Health Sciences 

DATE: April 6, 2016

RE: Tax Status of the Regents of the University of New Mexico

This Memorandum is to summarize the tax status of the Regents of the University of New Mexico. Under the New Mexico Constitution and New Mexico Statutes, the Regents are a body corporate with the power to manage and operate the University of New Mexico. The University of New Mexico, as evidenced by the IRS determination letter attached to this Memorandum, is recognized as a political subdivision as defined in 26 U.S.C. § 115.

As you may know, under 26 U.S.C. § 170(a), charitable contributions are tax deductible. Under that same statute -- 26 U.S.C. § 170(c)(1) -- contributions made for public purposes to the University of New Mexico are considered deductible just as 26 U.S.C. § 170(c)(2) makes contributions to corporations and foundations deductible if the corporation or foundation in question is exempt under 26 U.S.C. § 501(c)(3). In other words, political subdivisions -- such as the University of New Mexico -- and 501(c)(3) corporations are generally on an equal footing when it comes to charitable contributions.

Internal Revenue Service

Department of the Treasury

District
Director

University of New Mexico
Scholes Hall 251
Albuquerque, NM 87131

Person to Contact
EO Technical Assistor

Telephone Number
(214) 767-3526

Refer Reply to:
EO:TPA:494ODAL

Date:

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Dear Sir or Madam:

Instrumentalities of a political subdivision are exempt under section 115 of the Internal Revenue Code and are not required to file Federal Income Tax Return Form 1120, nor Information Return Form 990. Contributions to such organizations are deductible by donors as provided in section 170 of the Internal Revenue Code. Bequests, legacies, devises, transfers of gifts to or for their use are deductible for Federal, estate and gift tax purposes under the provisions of sections 2055, 2106, and 2522 of the Code.

These organizations are not liable for tax imposed under the Federal Insurance Contributions Act (Social Security Taxes). They may, however, obtain Social Security coverage for employees through the State or Department of Public Welfare. Such organizations are required to withhold income tax from wages paid to their employees and make remittances thereof to Internal Revenue Service.

If we may be of further assistance, please contact the person whose name and telephone number are shown at the beginning of this letter.

Sincerely


EO Technical Assistor