



U. S. TREASURY DEPARTMENT
WASHINGTON 25

OFFICE OF
COMMISSIONER OF INTERNAL REVENUE

ADDRESS REPLY TO
COMMISSIONER OF INTERNAL REVENUE

AND REFER TO
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RD

NOV 3 1953

State College of Agriculture and
Mechanic Arts
Ames, Iowa

Gentlemen:

In a ruling dated December 27, 1946, it was held that as an instrumentality of the State of Iowa you are not subject to Federal income tax and are not required to file income tax returns. On October 4, 1948, this ruling was extended to include a ruling holding that you are entitled to exemption from Federal income tax under the provisions of section 101(6) of the Internal Revenue Code.

Upon further consideration it is now our conclusion that since you are an instrumentality of the State of Iowa you are not an organization within the contemplation of section 101(6) of the Code. Accordingly, our ruling of October 4, 1948, is revoked.

Contributions made to you are deductible by the donors in computing their taxable net income in the manner and to the extent provided by section 23(o) and (q) of the Code.

Bequests, legacies, devises, or transfers, to or for your use are deductible in computing the value of the net estate of a decedent for estate tax purposes in the manner and to the extent provided by sections 812(d) and 861(a)(3) of the Code. Gifts of property to you are deductible in computing net gifts for gift tax purposes in the manner and to the extent provided in section 1004(a)(2)(A) and 1004(b)(1) of the Code.

Your status for Federal employment tax purposes will be made the subject of a separate communication.

Our ruling of December 27, 1946, as extended is modified to conform to this ruling.

The District Director of Internal Revenue, Des Moines, Iowa is being advised of this action.

Very truly yours,


Chief, Exempt Organizations Branch

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BUSINESS OFFICE