

Internal Revenue Service

Department of the Treasury

District
Director

915 Second Ave., Seattle, Wash. 98174

Auburn Public Schools
School District #408
915 Fourth Street, North East
Auburn, Washington 98002

Person to Contact:
EO Desk Officer
Telephone Number:
(206) 442-5106
Refer Reply to:
EO-IV:MS 550
Date:

OCT 24 1986

Gentlemen:

The following information is furnished in reply to a letter dated October 16, 1986, from George Sanders, Assistant Superintendent.

As an instrumentality of a governmental unit, the Auburn Public Schools are not subject to Federal income tax under the provisions of Section 115(1) of the 1954 Internal Revenue Code, which states in part:

"Gross income does not include income derived from the exercise of any essential governmental function and accruing to a State or any political subdivision thereof"

Your income is not taxable as explained above, since you are an instrumentality of a government unit. As an instrumentality of a government, contributions to you are deductible under Section 170(c)(1) of the Code.

Please let us know if we may be of further assistance.

Sincerely yours,

Edna G. Bonnist

Edna G. Bonnist
Exempt Organizations
Group Manager