



UNIVERSITY OF HOUSTON SYSTEM
UNIVERSITY OF HOUSTON

Tax Director

MEMORANDUM

To : Whom It May Concern

From : R. Keith Gernold

Subject : Federal, Tax Exempt Status for the University of Houston System (the "University")

The University and its components (e.g. UH Main, UH Clear Lake, UH Downtown, UH Victoria, UH Sugar Land, UH Cinco Ranch, and UH Distance Education) operate under one Federal Identification Number, 74-6001399.

As recognized by the Internal Revenue Service (see attached letter dated June 13, 1996), the "University is exempt from federal income tax, because it is a political subdivision / agency of the state of Texas and is described in section 115(1) of the Internal Revenue Code ("IRC")." Amending the IRC changed section 115(a) to 115(1). Section 115(1) provides that organizations are not taxed on "...income derived from...the exercise of any essential governmental function and accruing to a State or any political subdivision thereof..." Recently, in the IRS's certification that the University was a U.S. resident for tax purposes (see IRS Form 6166 attached), the IRS acknowledged that the University was either a "...State, or political subdivision of a State, or an agency, instrumentality, or public educational organization of a State or political subdivision, which is exempt from U.S. tax..."

In addition, the IRS letter dated June 13, 1996, reaffirms that "contributions to the University are tax deductible by the donors under sections 170(b)(1)(A)(ii) (e.g. an educational organization) and 170(b)(1)(A)(v) (e.g. a governmental unit) of the Code." Further evidence that the University is eligible to receive tax-deductible charitable contributions under IRC section 170(c) may be found in IRS Publication 78, Cumulative List of Organizations Described in Section 170(c) of the Internal Revenue Code of 1986 (see attached listing of the University and its components).

Also, the same IRS letter confirms that the University has never applied (IRS Form 1023, Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code) with the IRS for approval as an IRC section 501(c)(3) tax exempt organization. Because of additional filing, more restrictive regulatory requirements, and

increased reporting, it is in the University's best interest not to be considered a section 501(c)(3) organization. Since the University is not a 501(c)(3) organization, it is not required to annually file IRS Form 990, Return of Organization Exempt From Income Tax; however, the University does file an IRS Form 990-T, Exempt Organization Business Income Tax Return, for each year that it receives unrelated business income of more than \$1,000

In conclusion, certain organizations may be considered to be a "private foundation" as provided in IRC section 509. However, the University is excluded from private foundation status, because it is an exempt organization as an educational organization and a governmental unit (IRC section 509(a)(1)). Also, the University is not a "supporting organization" described in IRC section 509(a)(3), since it is not operated , exclusively for the benefit of, to perform or carry out purposes of one or more other organizations.

Internal Revenue Service

Department of the Treasury

District
Director

1100 Commerce St., Dallas, Texas 75242

R. Keith Gernold
Director of Tax Compliance
P.O. Box 230205
Houston, TX 77223-0205

Person to Contact:
Tim Ladusky
Telephone Number:
(214) 767-1427
Refer Reply to:
DS: 7000DAL 96-722
Date: JUN 13 1996

• Dear Mr. Gernold:

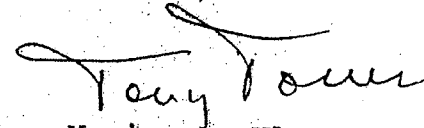
This is in response to your request dated April 29, 1996, and received in this office on May 21, 1996, regarding the University of Houston.

We have reviewed our files and do not find a record of an exempt status under section 501(c)(3) having been granted to the University of Houston. Our records, however, do indicate the University of Houston is exempt from Federal income tax because it is an instrumentality of the state of Texas and is described in section 115(a) of the Internal Revenue Code. Contributions to the University of Houston are tax deductible by the donors under sections 170(b)(1)(A)(ii) and 170(b)(1)(A)(v) of the Code. The University of Houston is not required to file annual returns on Form 990, but must file Form 990-T each year that it receives unrelated business income of more than \$1000.

We will consider this request closed because there is no information available for public inspection.

This concludes my response to your request.

Sincerely,


for Marion A. Ulman
Disclosure Officer

CINCINNATI OH 45999-0038

In reply refer to: 0248188025
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UNIVERSITY OF HOUSTON
% TAX DEPARTMENT
5000 GULF FWY RM 109
HOUSTON TX 77204

Federal Identification Number: 74-6001399
Person to Contact: Customer Service
Toll Free Telephone Number: 1-877-829-5500

Dear Taxpayer:

This responds to your request for information about your federal tax status. Our records do not specify your federal tax status. However, the following general information about the tax treatment of state and local governments and affiliated organizations may be of interest to you.

GOVERNMENTAL UNITS

Governmental units, such as States and their political subdivisions, are not generally subject to federal income tax. Political subdivisions of a State are entities with one or more of the sovereign powers of the State such as the power to tax. Typically they include counties or municipalities and their agencies or departments. Charitable contributions to governmental units are tax-deductible under section 170(c)(1) of the Internal Revenue Code if made for a public purpose.

ENTITIES MEETING THE REQUIREMENTS OF SECTION 115(1)

An entity that is not a governmental unit but that performs an essential government function may not be subject to federal income tax, pursuant to Code section 115(1). The income of such entities is excluded from the definition of gross income as long as the income (1) is derived from a public utility or the exercise of an essential government function, and (2) accrues to a State, a political subdivision of a State, or the District of Columbia. Contributions made to entities whose income is excluded income under section 115 may not be tax deductible to contributors.

TAX-EXEMPT CHARITABLE ORGANIZATIONS

An organization affiliated with a State, county, or municipal government may qualify for exemption from federal income tax under section 501(c)(3) of the Code, if (1) it is not an integral part of the government, and (2) it does not have governmental powers inconsistent with exemption (such as the power to tax or to exercise enforcement or regulatory powers). Note that entities may meet the requirements of both sections 501(c)(3) and 115 under certain circumstances. See Revenue Procedure 2003-12, 2003-1 C.B. 316.

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UNIVERSITY OF HOUSTON
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5000 GULF FWY RM 109
HOUSTON TX 77204

Most entities must file a Form 1023, Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code, to request a determination that the organization is exempt from federal income tax under 501(c)(3) of the Code and that charitable contributions are tax deductible to contributors under section 170(c)(2). In addition, private foundations and other persons sometimes want assurance that their grants or contributions are made to a governmental unit or a public charity. Generally, grantors and contributors may rely on the status of governmental units based on State or local law. Form 1023 and Publication 4220, Applying for 501(c)(3) Tax-Exempt Status, are available online at www.irs.gov/eo.

We hope this general information will be of assistance to you. This letter, however, does not determine that you have any particular tax status. If you are unsure of your status as a governmental unit or state institution whose income is excluded under section 115(1) you may seek a private letter ruling by following the procedures specified in Revenue Procedure 2007-1, 2007-1 I.R.B. 1 (updated annually).

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely yours,



Kim A. Billups, Operations Manager
Accounts Management Operations 1



CERTIFICATION
PROGRAM

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
PHILADELPHIA, PA 19255

Date: May 1, 2017

100006

Taxpayer: UNIVERSITY OF HOUSTON
TIN: 74-6001399
Tax Year: 2017

I certify that the above-named entity is a State, or political subdivision of a State, or an agency, instrumentality, or public educational organization of a State or political subdivision, which is exempt from U.S. tax under the Internal Revenue Code, and is a resident of the United States of America for purposes of U.S. taxation.

Joseph Dianto
Field Director, Accounts Management



Search for Charities

Publication 78, *Cumulative List of Organizations described in Section 170(c) of the Internal Revenue Code of 1986*, is a list of organizations eligible to receive tax-deductible charitable contributions. This online version is offered to help you conduct a more efficient search of these organizations.

For assistance on using Publication 78, see [Publication 78 Help](#).

Most Recent Data Update: July 1, 2009

To verify whether an organization has been added or deleted since the most recent update, check the links below.

Additional Information:

- [Eligible Donees Generally Not Listed in Publication 78](#)
- [Additions to Cumulative List](#)
- [Recent Revocations and Deletions from Cumulative List](#)
- [Suspensions Pursuant to Code Section 501\(p\)](#)

[SEARCH NOW](#)

In addition, you may verify an organization's tax-exempt status and eligibility to receive tax-deductible charitable contributions by asking to see an organization's IRS letter recognizing it as tax-exempt. You may also confirm an organization's status by calling the IRS (toll-free) at 1-877-829-5500.

You may download the electronic version of Publication 78. The download file is a large (12.6 MB) compressed file, from which you may extract a very large delimited text file. Some computers may have difficulty downloading and extracting a file of this size. In addition, opening the file using word processing software may prevent formatting/appearance issues that may be present if the file is viewed with a text editing program.

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Format: Microsoft Word, ASCII Text

Page Last Reviewed or Updated: July 09, 2009

Search for Charities, Online Version of Publication 78 Search Results

Organization

Name

At least one of the words
 All of the words

Location

City State Country

Deductibility Code

Deductibility Code

[Begin New Search](#) [Search Tips](#)

Show « Prev | 1-14 | Next »

Name ▲	City	State	Country	Code
Baylor University Womens Association of Houston	Houston	TX	USA	=
Houston Alumni Chapter of Alabama A&M University Alumni Association	Houston	TX	USA	=
The University of Houston Alumni Association	Houston	TX	USA	=
University Baptist Church of Houston Foundation Inc.	Houston	TX	USA	=
University of Houston - Clear Lake	Houston	TX	USA	=
University of Houston - Downtown	Houston	TX	USA	=
University of Houston - University Park	Houston	TX	USA	=
University of Houston - Victoria	Houston	TX	USA	=
University of Houston College of Business Foundation	Houston	TX	USA	=
University of Houston Foundation	Houston	TX	USA	=
University of Houston Geological Alumni Association Inc.	Houston	TX	USA	=
University of Houston Law Foundation	Houston	TX	USA	=
University of Houston System	Houston	TX	USA	=
University of Houston-University Park Chapter of Phi Delta Kappa	Houston	TX	USA	=

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