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From: Fed State & Local Governments [[irs@service.govdelivery.com](mailto:irs@service.govdelivery.com)]

FSLG Newsletter <span style="float: right;">September 21, 2016</span>	
<p><b>Useful Links:</b></p> <p><a href="#">About FSLG</a></p> <p><a href="#">FSLG News</a></p> <p><a href="#">FSLG Customer Services</a></p> <p><a href="#">Educational Resources</a></p> <p><a href="#">FSLG FAQs</a></p>	<p><b>Learn:</b></p> <ul style="list-style-type: none"> <li>• how you can prove your “tax-exempt” status as a government entity</li> <li>• that government entities don’t require an IRS determination letter to secure tax-exempt status</li> <li>• what it means to be a dual-status entity</li> </ul> <p><b><a href="#">Watch</a> video.</b></p>

**Transcript - Governmental Information Letter**

Hi, I’m Lori, and I work for the Internal Revenue Service. Government entities are frequently asked to provide a tax-exempt number or “determination” letter to prove their status as a “tax-exempt” or charitable entity.

For example, applications for grant funding generally require this information and donors frequently ask for it as substantiation that their contribution is tax deductible.

Government entities are unique from non-profit organizations. While a non-profit requires a determination letter from the IRS to secure tax-exempt status, a government entity does not.

However, as a service to government entities, the IRS will issue a Governmental Information Letter. Letter 4076C is entitled Information Letter-Federal Tax Status of Governmental Entity.

Letter 4076C is available to government entities free of charge. Letter 4076C, summarizes the law regarding the tax-exempt status of state and local governments under Internal Revenue Code section 170(c)(1). The letter provides the reader general information under IRC section 115(1) regarding the federal income tax status of an entity that performs essential government services. And, explains the conditions that must be met for governmental organizations to qualify for Federal income tax exemption under IRC section 501(c)(3). And finally, the letter cites the form required to apply for a determination that the organization is exempt from federal income tax and charitable contributions made to it are tax deductible. To obtain a Letter 4076C Governmental Information Letter, simply call the

IRS Tax Exempt and Government Entities customer assistance line at 1-877-829-5500. You'll need to provide the Employer Identification Number (or EIN) of the entity, along with its name and address exactly as it appears on IRS records. Finally, the person calling must be able to assert that he or she is a hired or elected employee of the entity and legally authorized to receive the letter.

In most instances, you will receive Letter 4076C in 10 to 14 business days.

Some government entities are considered dual-status, which means they also have IRC section 501(c)(3) status. Internal Revenue Code section 501(c)(3) grants exemption from federal income tax to organizations operated for religious, charitable, scientific, literary, or educational purposes. Contributions to these organizations are deductible on a donor's federal income tax return. If the entity has non-profit 501(c)(3) status, they may request their exempt organization affirmation letter, which donor's may ask for, by calling 1-877-829-5500.

Finally, a government entity may affirm its tax exempt status with the IRS by requesting a Private Letter Ruling, or PLR, which is a formal determination. There is a fee for this service, however. More information about private letter rulings can be obtained by referring to the first Revenue Procedure issued annually. For 2016, enter "Rev. Proc. 2016-1" in the [www.IRS.gov](http://www.IRS.gov) search engine to be taken to a link for the document outlining the details about requesting a Private Letter Ruling.

There are two publications with information on related topics you may want to download: Publication 526, Charitable Contributions, explains to donors which contributions they can and cannot deduct. Within this publication is a list of the types of qualified organizations that can receive deductible contributions. The list includes: the United States or any state, the District of Columbia, a US possession, or a political subdivision of a state.

Another one you may want to review is Publication 557, Tax-Exempt Status for Your Organization. This would be useful if the entity has already been determined to have dual-status or is considering pursuing 501(c)(3) status.

Remember, the telephone number to call and request your Letter 4076C Governmental Information Letter is 1-877-829-5500. In closing, Letter 4076C from the IRS may satisfy substantiation requests your governmental entity receives from donors and grantors.