The Regents of the University of Idaho  
c/o University Business Office  
Moscow, Idaho

Gentlemen:

Consideration has been given to your application for exemption from  
Federal income tax under section 501(c)(3) of the Internal Revenue  
Code, as an educational organization.

Our records show that on November 7, 1945, it was held that, as an  
instrumentality of the State of Idaho, the University of Idaho was  
not subject to Federal income tax and was not required to file income  
tax returns.

You indicate that the reason you are applying for exemption under  
section 501(c)(3) of the Code is that your employees desire to avail  
themselves of the tax treatment provided under section 403(b) of the  
Code.

You were constituted a body corporate, by the name of "The Regents  
of the University of Idaho", on January 30, 1889, with all the powers  
necessary or convenient to accomplish the objects and perform the  
duties prescribed by law in the government of the University of Idaho,  
by the 15th Territorial Sess. Laws (1883-89), pp. 17-21, Section 3.  
The government of the University is vested in a Board of Regents,  
nominated by the Governor, by and with the advice and consent of the  
Legislature. The charter was confirmed by the provisions of Article IX  
section 10 of the Idaho Constitution which had the effect of incorporating  
the entire original charter into the State Constitution by  
reference.

After careful consideration of all the evidence presented, including  
the provisions of the law under which you operate, it is concluded  
that you are an instrumentality of the State of Idaho, and that you  
are also exempt under section 501(c)(3) of the Code. Since you are  
exempt under Section 501(c)(3), your employees are entitled to the  
benefits of section 403(b) of the Code. This ruling modifies our  
ruling of November 7, 1945.
The Regents of the University of Idaho

Contributions made to you are deductible by donors as provided in section 170 of the Code. Bequests, legacies, devises, transfers or gifts to or for your use are deductible for Federal estate and gift tax purposes under the provisions of section 2055, 2106, and 2522 of the Code.

Your District Director of Internal Revenue, Boise, Idaho, is being advised of this action.

Very truly yours,

[Signature]

Director, Tax Rulings Division