



**PLACENTIA-YORBA LINDA
UNIFIED SCHOOL DISTRICT**

1301 E. Orangethorpe Avenue
Placentia, CA 92870
www.pylusd.org

Doug Domene, Ed.D.
Superintendent

Board of Education
Carrie Buck
Judi Carmona
Carol Downey
Karin Freeman
Eric Padgett

RE: TAX EXEMPTION/CONTRIBUTIONS DEDUCTIBLE

The following information is furnished regarding tax exemption for State agencies and the deductibility of contributions donated to such agencies by individuals and exempt foundations.

Agencies of the State of California, such as school districts in general and Placentia-Yorba Linda Unified School District in particular, are NOT subject to the taxing authority of the California Franchise Tax Board or the Federal Internal Revenue Service. We therefore cannot issue an exemption from a tax which we are not allowed by law to impose in the first place.

Even though government agencies do not have a tax exemption under Section 501(c)(3) of the Internal Revenue Code or under Section 23701(d) of the California Revenue and Taxation Code, contributions to government agencies, such as the Placentia-Yorba Linda Unified School District, are deductible for income tax purposes by the donors. Section 170(c)(1) specifically states that a contribution to a state agency is a "charitable contribution" for tax purposes.

This letter is issued for your use to advise potential donors that contributions to agencies of the State of California such as school districts are legitimate, charitable contributions and are treated, for tax purposes, the same as contributions to private organizations exempt under Section 501(c)(3) of the Internal Revenue Code.

Sincerely,

David Giordano
Assistant Superintendent
Business Services