

APPENDIX C

FRANCHISE TAX BOARD TAX EXEMPTION LETTER



STATE OF CALIFORNIA  
**FRANCHISE TAX BOARD**  
P.O. Box 942840  
Sacramento CA 94240-2000  
Telephone (916) 845-6304 Fax (916) 845-0412

KATHLEEN CONNELL  
Chair  
CLAUDE PARRISH  
Member  
B. TIMOTHY GAGE  
Member

June 26, 2002

Mr. Michael O'Neill, Manager  
Payroll Coordination & Tax Services  
University of California, Office of the President  
1111 Franklin Street, 10<sup>th</sup> Floor  
Oakland, California 94607-5200

Re: Are payments made to the University of California subject to information return reporting?

The University of California and its affiliated organizations are considered to be part of the State of California and its instrumentalities. As such, it is not subject to income tax, and, therefore, payments made to the UC System are not reportable.

As a public body, the University of California is not subject to the Revenue and Taxation Code. Therefore, it is not classified as a tax exempt organization and does not apply for, or receive, tax exempt status. Such a classification would be unnecessary. The UC System and its affiliates are government organizations, not subject to income taxes. Therefore, payments made to them by businesses will not be reported on information returns.

Sincerely,

A handwritten signature in cursive script that reads "Denise Hubbard".

Denise Hubbard  
Information Return Reporting Specialist  
California Franchise Tax Board