



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

OFFICE OF
CHIEF COUNSEL

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Dear :

This letter responds to your letter of August 23, 2004. In your letter, you requested information regarding whether § 170 of the Internal Revenue Code allows a deduction for contributions to a certain fund. The fund was established under state law for the use and benefit of certain veterans' homes that are agencies of the and for the use and benefit of the veterans that reside in those homes.

This letter is an "information letter" within the meaning of section 2.04 of Rev. Proc. 2004-1, 2004-1 I.R.B. 7. An information letter calls attention to a well-established interpretation or principle of tax law without applying it to a specific set of facts. In accordance with section 2.04 of Rev. Proc. 2004-1, this information letter is advisory only and has no binding effect on the Internal Revenue Service. If a taxpayer would like us to determine whether a contribution to the fund would be allowable as a deduction pursuant to section 170, the taxpayer would need to request a private letter ruling. Information on how to request a private letter ruling can be found in Rev. Proc. 2004-1, 2004-1 I.R.B. 1.

Section 170(a) allows, subject to certain restrictions and limitations, a deduction for any "charitable contribution" made during the taxable year.

Section 170(c)(1) provides that the term "charitable contribution" means, in part, a contribution or gift to or for the use of a state or possession of the United States, or

any political subdivision thereof, or the United States or the District of Columbia, but only if the contribution or gift is made for exclusively public purposes.

An agency or fund that is an “integral part” of a governmental unit generally is eligible to receive charitable contributions as defined by § 170(c)(1). See Rev. Rul. 73-296, 1973-2 C.B. 67 (contributions to United States Army Unit Funds, which are integral parts of the Army, are deductible under § 170); see also Rev. Rul. 82-169, 1982-2 C.B. 72.

Taxpayers who itemize their deductions generally may deduct the amount of a charitable contribution of money, subject to the requirements and limitations of § 170, including the requirement that the charitable contribution be verified under regulations prescribed by the Secretary. Of course, the tax consequences of any such contribution are determined based upon the facts and circumstances of that contribution.

We hope that this information is helpful to you. If you have additional questions, please contact at .

Sincerely,

Clifford M. Harbour
Senior Technical Reviewer, Branch 2
(Income Tax & Accounting)