



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

CHIEF COUNSEL

April 2, 2018

Number: **2018-0010**
Release Date: 6/29/2018

CONEX-108543-18

Index Number: 164.00-00
170.00-00

The Honorable John J. Bonacic
New York State Senator
State Capitol Room 503
Albany, NY 12247

Dear Mr. Bonacic:

Thank you for your letter dated February 26, 2018, requesting an opinion about a proposal advanced by the Governor of the State of New York in his fiscal year 2019 State Executive Budget.

In your letter, you explained this proposal would allow taxpayers who itemize deductions to claim charitable deductions for contributions to funds established for the benefit of state and local governments. Also, this proposal provides that any taxpayer donating to these funds may claim a State tax credit equal to 85 percent of the donation amount for the tax year after the donation is made.

Specifically, you asked for our opinion about whether amounts contributed by taxpayers under this proposal would be recognized by the IRS as a charitable contributions deductible under the Internal Revenue Code.

Section 6.08 of Revenue Procedure 2018-1, 2018-1 I.R.B. 1, provides that the Offices of Associate Chief Counsel ordinarily do not issue letter rulings on matters involving the federal tax consequences of any proposed federal, state, local, municipal or foreign legislation.

Therefore, we are unable to provide an opinion on the Governor's proposal. Nevertheless, we are aware of his and similar proposals, and are continuing to study the application of the federal tax laws to these matters.

Thank you for providing information on this matter. If you have any questions, please contact me or _____ at _____ .

Sincerely,

Brinton Warren
Chief, Branch 3
Office of Associate Chief Counsel
(Income Tax & Accounting)