

**Internal Revenue Service**

**Date:** April 11, 2007

**Entered**

**AMERICAN ENTERPRISE INSTITUTE FOR  
PUBLIC POLICY RESEARCH**  
1150 17TH STREET N W  
WASHINGTON DC 20036-4603

**Department of the Treasury  
P. O. Box 2508  
Cincinnati, OH 45201**

**Person to Contact:**

Richard E. Owens 31-07974  
Customer Service Representative

**Toll Free Telephone Number:**  
877-829-5500

**Federal Identification Number:**  
53-0218495

Dear Sir or Madam:

This is in response to your request of April 6, 2007, regarding your organization's tax-exempt status.

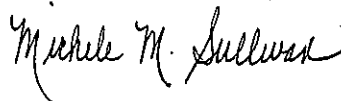
In July 1944 we issued a determination letter that recognized your organization as exempt from federal income tax. Our records indicate that your organization is currently exempt under section 501(c)(3) of the Internal Revenue Code.

Our records indicate that your organization is also classified as a public charity under sections 509(a)(1) and 170(b)(1)(A)(vi) of the Internal Revenue Code.

Our records indicate that contributions to your organization are deductible under section 170 of the Code, and that you are qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Internal Revenue Code.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely,



Michele M. Sullivan, Oper. Mgr.  
Accounts Management Operations 1

Department of the Treasury

Entered in PCG

**Internal Revenue Service**  
**Washington, DC 20224**

Date:

In reply refer to:

11-09-70



AMERICAN ENTERPRISE INSTITUTE FOR  
PUBLIC POLICY RESEARCH  
1200 17TH ST NW  
WASHINGTON, D C

20036

Gentlemen:

Based on the information you recently submitted, we have classified you as an organization that is not a private foundation as defined in section 509(a) of the Internal Revenue Code.

Your classification is based on the assumption that your operations will be as stated in your notification. Any changes in your purposes, character, or method of operation must be reported to your District Director so he may consider the effect on your status.

Sincerely yours,

Chief, Rulings Section  
Exempt Organizations Branch

Internal Revenue Service

Date.

APR 7 1970

to reply letter of

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American Enterprise Institute  
for Public Policy Research  
1200 - 17th Street, N.W.  
Washington, D. C. 20036

Attention: Mr. William J. Baroody  
President

Gentlemen:

This is in response to your letter of April 2, 1970, requesting a ruling as to whether you qualify as an organization to which grants may be made by private foundations without subjecting such organizations or managers to the tax liabilities provided in section 4945 of the Internal Revenue Code of 1954, as added by the Tax Reform Act of 1969.

Section 4945 imposes a tax on the "taxable expenditures" of private foundations -- amounts paid or incurred by such foundations for certain proscribed purposes. Subsection (e) defines such purposes to include any attempt to influence legislation "other than through making available the results of nonpartisan analysis, study or research." Subsection (d)(2) defines "taxable expenditure" to include any amount paid or incurred by a private foundation to influence the outcome of any specific election, or to carry on any voter registration drive unless conducted by an organization which meets certain specified requirements. Subsection (d)(4) includes grants to other than an organization described in section 509(a)(1), (2), or (3), and section 509(a)(1) includes a publicly supported organization described in section 170(b)(1)(A)(vi) of the Code.

The information submitted with your request is substantially as follows:

You are exempt from Federal income tax as an organization described in section 501(c)(3) of the Code, which is substantially similar to section 170(c)(2), and contributions to you are deductible under section 170 of the Code.

American Enterprise Institute  
for Public Policy Research

In the years 1966 through 1969 you received support from corporations, individuals, foundations, investment income and grants from a state university. The schedule attached indicates that you applied the "mechanical test" provided in section 1.170-2(b)(5) of the Income Tax Regulations for the purpose of determining whether you are a publicly supported organization within the meaning of section 170(b)(1)(A)(vi) of the Code.

Based on the facts stated in your letter of April 2, 1970, and the enclosed materials, we conclude that under existing regulations the Institute is a "publicly supported" organization described in section 170(b)(1)(A) of the Code and accordingly is not a "private foundation" under Code section 509. In such a case, a grant to the Institute by a private foundation will not constitute a taxable expenditure by the private foundation if: (1) it does not control or retain any veto power over the use of the funds; and (2) if the grant does not by its terms require activities which would be taxable expenditures by a private foundation under section 4945 and does not by reason of the conditions or terms under which it is given of necessity require such activities. Accordingly, a general purpose grant to the Institute not restricted in any way as to use will not constitute a taxable expenditure by a grantor private foundation.

Very truly yours,

*John W. Littleton*  
Director, Income Tax Division