

**Internal Revenue Service**

**Date:** June 22, 2004

**Cato Institute**

1000 Massachusetts Ave. N.W.  
Washington, DC 20001-5400

Entered in PCC

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

**Person to Contact:**

Sheena Wallace 31-04021  
Customer Service Specialist

**Toll Free Telephone Number:**

8:00 a.m. to 6:30 p.m. EST  
877-829-5500

**Fax Number:**

513-263-3756

**Federal Identification Number:**

23-7432162

CHECKED DEC 03 2004

Dear Sir or Madam:

This is in response to your request of June 22, 2004, regarding your organization's tax-exempt status.

In March 1975 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.

Based on information subsequently submitted, we classified your organization as one that is not a private foundation within the meaning of section 509(a) of the Code because it is an organization described in sections 509(a)(1) and 170(b)(1)(A)(vi).

This classification was based on the assumption that your organization's operations would continue as stated in the application. If your organization's sources of support, or its character, method of operations, or purposes have changed, please let us know so we can consider the effect of the change on the exempt status and foundation status of your organization.

Your organization is required to file Form 990, Return of Organization Exempt from Income Tax, only if its gross receipts each year are normally more than \$25,000. If a return is required, it must be filed by the 15th day of the fifth month after the end of the organization's annual accounting period. The law imposes a penalty of \$20 a day, up to a maximum of \$10,000, when a return is filed late, unless there is reasonable cause for the delay.

All exempt organizations (unless specifically excluded) are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$100 or more paid to each employee during a calendar year. Your organization is not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Organizations that are not private foundations are not subject to the excise taxes under Chapter 42 of the Code. However, these organizations are not automatically exempt from other federal excise taxes.

Donors may deduct contributions to your organization as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to your organization or for its use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

Internal Revenue Service

Entered in PCG

Department of the Treasury

District  
Director

Baltimore District

31 Hopkins Plaza, Baltimore, Md. 21201

Person to Contact:  
EP/EO Tax Examiner

Telephone Number:  
(410) 962-6058

Refer Reply to:  
EP/EO:CSU  
Room 817

Date: *October 4, 1994*

*Cato Institute  
1000 Massachusetts Avenue, N.W.  
Washington, DC 20001-5400*

Dear Sir/Madam:

This is in response to your inquiry dated *September 16, 1994*, requesting a copy of the letter which granted tax exempt status to the above named organization.

Our records show that the organization was granted exemption from Federal Income Tax under section 501(c)(3) of the Internal Revenue Code effective *March, 1975*. We have also determined that the organization is not a private foundation because it is described in section(s) 509(a)(1) and 170(b)(1)(A)(vi).

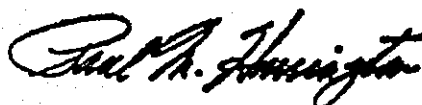
Donors may deduct contributions to you under section 170 of the Code.

As of January 1, 1984, you are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$100 or more you pay to each of your employees during a calendar year. You are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

You are required to file Form 990, Return of Organization Exempt From Income Tax, only if your gross receipts each year are normally more than \$25,000. However, if you receive a Form 990 package in the mail, please file the return even if you do not exceed the gross receipts test. If you are not required to file, simply attach the label provided, check the box in the heading to indicate that your annual gross receipts are normally \$25,000 or less, and sign the return.

This letter may be used to verify your tax-exempt status.

Sincerely yours,



Paul M. Harrington  
District Director

Internal Revenue Service  
District Director

Department of the Treasury

31 HOPKINS PLAZA  
BALTIMORE, MD 21201

Entered in PCG

Date: MAY 09 1990

Employer Identification Number:  
23-7432162

Contact Person:  
MRS. S. PRATT

Contact Telephone Number:  
(301) 962-4779

CATO INSTITUTE  
224 SECOND STREET  
WASHINGTON, DC 20003

Our Letter Dated:  
December 1986  
Addendum Applies:  
Yes

Dear Applicant:

This modifies our letter of the above date in which we stated that you would be treated as an organization which is not a private foundation until the expiration of your advance ruling period.

Your exempt status under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3) is still in effect. Based on the information you submitted, we have determined that you are not a private foundation within the meaning of section 509(a) of the code because you are an organization of the type described in section 509(a)(1) and 170(b)(1)(A)(vi).

Grantors and contributors may rely on this determination unless the Internal Revenue Service publishes notice to the contrary. However, if you lose your section 509(a)(1) status, a grantor or contributor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act, or the substantial or material change on the part of the organization that resulted in your loss of such status, or if he or she acquired knowledge that the Internal Revenue Service had given notice that you would no longer be classified as a section 509(a)(1) organization.

If we have indicated in the heading of this letter that an addendum applies, the addendum enclosed is an integral part of this letter.

Because this letter could help resolve any questions about your private foundation status, please keep it in your permanent records.

CATO INSTITUTE

If you have any questions, please contact the person whose name and telephone number are shown above.

Sincerely yours,

*Phil Bond*  
District Director

Enclosure:  
Addendum

CATO INSTITUTE

Guidelines under which private foundations may rely on this determination, for gifts, grants, and contributions made after March 13, 1989, were liberalized and published in Rev. Proc. 89-23, Cumulative Bulletin 1989-1, page 844.

You are required to make your annual return available for public inspection for three years after the return is due. You are also required to make available a copy of your exemption application, and supporting documents, and this letter. Failure to make these documents available for public inspection may subject you to a penalty of \$10 per day for each day there is a failure to comply (up to a maximum of \$5,000 in the case of an annual return). See Internal Revenue Service Notice 88-120, 1988-2 C.B. 454, for additional information.

Internal Revenue Service

Department of the Treasury

District  
Director

1100 Commerce St., Dallas, Texas 75242

Cato Institute  
c/o Ed Crane, President  
224 2nd Street S.E.  
Washington, D.C. 20003

Person to Contact:  
EOMF Examiner  
Telephone Number:  
214-767-1155  
Refer Reply to:  
RM:CSB:306:SY  
Date:  
JUN 10 1982

EIN:  
23-7432162

Gentlemen:

Our records show that Cato Institute is exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. This exemption was granted March 1975 and remains in full force and effect.

If we may be of further assistance, please contact the person whose name and telephone number are shown above.

Sincerely yours,

*Sue Yates*

Sue Yates  
EOMF Examiner

JUN- 6-91 THU 12:15

PUBLICAF

FAX NO. 913168325739

P.02

Internal Revenue Service  
District Director

Department of the Treasury

31 HOPKINS PLAZA  
BALTIMORE, MD 21201

Date: MAY 09 1990

Employer Identification Number:  
29-7482162

Contact Person:  
MRS. S. PRATT

Contact Telephone Number:  
(301) 962-4779

CATO INSTITUTE  
224 SECOND STREET  
WASHINGTON, DC 20003

Our Letter Dated:  
December 1986  
Addendum Applies:  
Yes

Dear Applicant:

This modifies our letter of the above date in which we stated that you would be treated as an organization which is not a private foundation until the expiration of your advance ruling period.

Your exempt status under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3) is still in effect. Based on the information you submitted, we have determined that you are not a private foundation within the meaning of section 509(a) of the code because you are an organization of the type described in section 509(a)(1) and 170(b)(1)(A)(vi).

Grantors and contributors may rely on this determination unless the Internal Revenue Service publishes notice to the contrary. However, if you lose your section 509(a)(1) status, a grantor or contributor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act, or the substantial or material change on the part of the organization that resulted in your loss of such status, or if he or she acquired knowledge that the Internal Revenue Service had given notice that you would no longer be classified as a section 509(a)(1) organization.

If we have indicated in the heading of this letter that an addendum applies, the addendum enclosed is an integral part of this letter.

Because this letter could help resolve any questions about your private foundation status, please keep it in your permanent records.

JUN- 6-91 THU 12:16

PUBLICAF

FAX NO. 913168325739

P.03

-2-

CATO INSTITUTE

If you have any questions, please contact the person whose name and telephone number are shown above.

Sincerely yours,

*Phil Bond*  
District Director

Enclosure:  
Addendum



-3-

## CATO INSTITUTE

Guidelines under which private foundations may rely on this determination, for gifts, grants, and contributions made after March 13, 1989, were liberalized and published in Rev. Proc. 89-23, Cumulative Bulletin 1989-1, page 844.

You are required to make your annual return available for public inspection for three years after the return is due. You are also required to make available a copy of your exemption application, and supporting documents, and this letter. Failure to make these documents available for public inspection may subject you to a penalty of \$10 per day for each day there is a failure to comply (up to a maximum of \$5,000 in the case of an annual return). See Internal Revenue Service Notice 88-120, 1988-2 C.B. 454, for additional information.