

District  
Director

10 MetroTech Center  
625 Fulton St., Brooklyn, NY 11201

Date: Dec 24, 1998

National Bureau of  
Economic Research, Inc.  
1050 Massachusetts Avenue  
Cambridge, MA 02138-5317

Person to Contact:  
Patricia Holub  
Contact Telephone Number:  
(718) 488-2333  
EIN: 13-1641075

Dear Sir or Madam:

Reference is made to your request for verification of the tax exempt status of National Bureau of Economic Research, Inc.

A determination or ruling letter issued to an organization granting exemption under the Internal Revenue Code remains in effect until the tax exempt status has been terminated, revoked or modified.

Our records indicate that exemption was granted as shown below.

Sincerely yours,

*Patricia Holub*

Patricia Holub  
Manager, Customer  
Service Unit

Name of Organization: National Bureau of Economic Research, Inc.

Date of Exemption Letter: March 1921

Exemption granted pursuant to section 501(c)(3) of the Internal Revenue Code.

Foundation Classification (if applicable): Not a private foundation as you are an organization described in sections 509(a)(1) and 170(b)(1)(A)(vi) of the Internal Revenue Code.

Internal Revenue Service

Date

12-9-69

Entered in PCG.

DEC 9 - 1969 T:I:I:1:1

National Bureau of Economic  
Research, Inc.

261 Madison Avenue,  
New York, N. Y. 10016

Attn: Mr. Douglas H. Eldridge  
Vice President, Administration

Gentlemen:

This is in reply to your letter of October 6, 1969, in which you request a ruling that your organization is a publicly supported organization as described in section 170(b)(1)(A)(vi) of the Internal Revenue Code of 1954 so that contributions to you are subject to the special limitation provisions of section 170(b)(1)(A)(vi) of the Code.

Under section 170(b)(1)(A) of the Code an individual is allowed an additional deduction not exceeding 10 percent of his adjusted gross income for contributions made to certain organizations, including an organization described in section 170(b)(1)(A)(vi) of the Code.

Section 170(b)(1)(A)(vi) of the Code refers to organizations described in section 170(c)(2) which normally receive a substantial part of their support from a governmental unit referred to in section 170(c)(1) of the Code or from direct or indirect contributions from the general public.

The pertinent information submitted with your request discloses the following:

( 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. )

You were incorporated on January 14, 1920, under the Membership Corporation Law of the State of New York. The purposes for which you were created are to encourage, in the broadest and most liberal manner, investigation, research and discovery, and the application of knowledge to the well-being of mankind; and in particular to

National Bureau of Economic Research, Inc.

conduct, or assist, in the making of exact and impartial investigations in the field of economic, social and industrial sciences, and, to this end, to cooperate with governments, universities, learned societies, and individuals.

You are governed by a Board of Directors who are also members of the Corporation. The members of the Board of Directors serve terms of three years, and, it is stated that they are men of diverse interests chosen from business, labor, professional associations, and universities. There are 24 "directors at large" who are elected by the existing membership; 15 "directors by university appointment" who are selected by each of 15 universities; and 10 "directors by appointment of other organizations" who are selected by their respective organizations.

The Board of Directors approves areas of investigation, ensures the procedures that safeguard the objectivity of the projects, approves all National Bureau reports, appoints the members of the research staff, and elects the officers of the corporation.

The National Bureau pioneered, and is continuing research in measuring the national income and wealth, analyzing income distribution, describing and diagnosing business cycles, analyzing relations between wages, productivity, and prices, and studying conditions conducive to economic growth, stability of the price level, and international financial balance.

Your financial support is drawn from a number of diverse sources including government agencies, philanthropic foundations, university libraries, businesses, business associations, labor organizations, and individuals.

A small portion of your income was received from subscribers to your publications. It is stated that the approximate value of the publications is \$75.00, the cost of an annual subscription. In addition, from one fifth to one fourth of your annual income is provided by "contributing subscribers" numbering currently about 300, who pay an additional amount totaling from \$100 to \$20,000 each per annum. You also receive unrestricted funds for the general support of your current operations. Such funds have been received from the American Bankers Association, the Richard King Mellon Foundation, the Scherman Foundation, and the Twentieth Century Fund. Approximately one fourth of your current support is from

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interest and dividend income on capital or sustaining-fund grants. You utilize the income from these sustaining funds for current operating purposes and draw on the principal to meet current operating deficits. Your largest single source of income is composed of grants of restricted funds from governmental agencies, foundations, businesses, and trade associations that support particular projects or programs according to terms set forth in the grants. You cite, as an example, the \$79,000 given to you by the National Science Foundation to assist in the support of the conference programs of the Universities-National Bureau Committee for Economic Research and the Conference on Research in Income and Wealth.

Your financial information has been available to your subscribers for a number of years, and, starting with the 1969 Report, will be published in your Annual Report.

Section 1.170-2(b)(5)(iii)(c)(3) of the Income Tax Regulations states that for purposes of the facts and circumstances test the most important consideration is the organization's sources of support. An organization will be considered a "publicly supported" organization if it is constituted so as to attract substantial support from contributions, directly or indirectly, from a representative number of persons in the community or area in which it operates.

The facts and circumstances presented show that you are a publicly supported organization referred to in section 170(b)(1)(A)(vi) of the Code. Accordingly, the special limitation provided for in section 170(b)(1)(A) of the Code is applicable to contributions made to you by individual donors.

Very truly yours,

*John W. Utter*

Chief, Individual Income Tax Branch