

Internal Revenue Service

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

2003 OCT 31 AM 10:08

Date: September 17, 2003

County Of Placer
2970 Richardson Dr
Auburn, CA 95603-2640

Person to Contact:

Ms. E. Eckert ID 31-07436
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

Employer Identification Number:

94-6000527

Dear Sir or Madam:

This is in response to your request of September 17, 2003 regarding your organization's exemption from Federal income tax.

As a governmental unit or a political subdivision thereof, your organization is not subject to Federal income tax under the provisions of Section 115(1) of the Internal Revenue Code, which states in part:

"Gross income does not include income derived from ... the exercise of any essential governmental function and accruing to a State or any political subdivision thereof ..."

Because your organization is a governmental unit or a political subdivision thereof, its income is not taxable as explained above. Contributions used exclusively for public purposes are deductible under Section 170(c)(1) of the Code.

Your organization is not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Your organization may obtain a letter ruling on its status under section 115 by following the procedures specified in Rev. Proc. 2002-1 or its successor.

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

Sincerely,



for John E. Ricketts, Director, TE/GE
Customer Account Services