State College of Agriculture and
Mechanic Arts
Ames, Iowa

Gentlemen:

In a ruling dated December 27, 1946, it was held that as
an instrumentality of the State of Iowa you are not subject to
Federal income tax and are not required to file income tax
returns. On October 4, 1948, this ruling was extended to
include a ruling holding that you are entitled to exemption from
Federal income tax under the provisions of section 101(6) of
the Internal Revenue Code.

Upon further consideration it is now our conclusion that
since you are an instrumentality of the State of Iowa you are
not an organization within the contemplation of section 101(6)
of the Code. Accordingly, our ruling of October 4, 1948, is
revoked.

Contributions made to you are deductible by the donors in
computing their taxable net income in the manner and to the extent
provided by section 23(a) and (q) of the Code.

Bequests, legacies, devises, or transfers, to or for your use
are deductible in computing the value of the net estate of a de-
cendant for estate tax purposes in the manner and to the extent
provided by sections 812(a) and 811(a)(3) of the Code. Gifts of
property to you are deductible in computing net gifts for gift tax
purposes in the manner and to the extent provided in section
1004(a)(2)(a) and 1004(b)(1) of the Code.

Your status for Federal employment tax purposes will be made
the subject of a separate communication.

Our ruling of December 27, 1946, as extended is modified
to conform to this ruling.

The District Director of Internal Revenue, Des Moines, Ia.
is being advised of this action.

Very truly yours,

[Signature]
Chief, Exempt Organizations Branch