

**VIRGINIA VETERANS SERVICES FOUNDATION
TAX EXEMPT STATUS STATEMENT**

US Code: Title 26, Subtitle A, Chapter 1, Subchapter B, Part VI, Section 170 Charitable, etc., contributions and gifts, Subsection (c) Charitable contribution defined. The term “charitable contribution” means a contribution or gift to or for use of – **Subsection (1)**; A State, a possession of the United States, or any political subdivision of any of the foregoing, or the United States or the District of Columbia, but only if the contribution or gift is made for exclusively public purposes.

Accordingly, a state agency designated to receive contributions for public purposes could be analogous to a 501 type organization; specifically a 501 (c) (3) organization.

Further, subsection 170 (b) (1) (v) limits individual contributions as follows; “Any charitable contribution to – a government unit referred to in subsection (c) (1) shall be allowed to the extent that the aggregate of such contributions does not exceed 50 percent of the taxpayer’s contribution base for the taxable year.” For corporations, “The total shall not exceed 10 percent of the taxpayer’s taxable income.”

The foregoing is a determination to be made by the taxpayer, either individual or corporate, and not by the receiving charitable organization. Therefore, “Donations may be tax exempt under section 170 (c) of the Internal Revenue Code and section 2.2-2719 of the Code of Virginia” is a valid statement. While contributions to the Foundation most likely will result in the same tax treatment as contributions to a 501 (c) (3) organization, it would be inappropriate to state that donations under either section of the Internal Revenue Code are exempt without the donor consulting with his or her tax consultant.

Code of Virginia section 2.2-2719. Gifts and bequests; exemption from taxation. Gifts and bequests of money, securities, or other property to the Fund, and the interest or income therefrom, shall be deemed gifts to the Commonwealth, and the Fund shall be exempt from all state and local taxes.

“The Fund” referred to in the Code of Virginia is the Virginia Veterans Services Foundation trust fund called the “Veterans Services Fund.”

In accordance with **Code of Virginia subsection 2.2-2718.A**, “There is created the Veterans Services Fund, a special nonreverting trust fund on the books of the Comptroller, to be administered by the Foundation.” And subsection **2.2-2718.D**. “All money, securities, or other property designated for the Fund and any interest or income therefrom shall remain in the Fund and shall not revert to the general fund.”

The foregoing could limit state government use of Fund revenues for something other than the purpose for which contributions were made.