




March 3, 2016

MR RICHARD K FITZPATRICK  
445 HOES KLANE  
PISCATAWAY NJ 08854-4141

**Re: IEEE Foundation, Inc.**  
**Case No. 2014-1101.01-343**

Dear Mr. Fitzpatrick:

Reference is made to your petition filed on December 24, 2014, wherein, on behalf of IEEE Foundation, Inc. (the "Organization"), you requested a letter ruling concerning the tax exemption status of the Organization pursuant to the Section 1101.01 of Act No. 1 of January 30, 2011, as amended known as "Internal Revenue Code for a New Puerto Rico" (the "Code").

 The Organization is an entity organized under the laws of the State of New York. The Organization is created to engage in scientific and educational activities, directed toward the advancement of the theory and practice of electrical engineering, electronics, radio, the allied branches of engineering and the related arts and sciences.

Based solely on the information submitted to our consideration, the Department of the Treasury (Department) rules as that Organization is exempt from the imposition of Puerto Rico income taxes pursuant to Section 1101.01(a)(2)(A)(iv) of the Code, as a Educative Organization.


Pursuant to Section 1061.05(a) of the Code, the Organization is required to file annually with the Department, the Informative Return for Income Tax Exempt Organizations Form 480.7(OE). Failure to comply with the filing of the aforementioned return may result in a penalty of \$500 for each annual return not filed within the term prescribed by the Code. In addition the Organization must submit annually to Assistant Secretary of the Tax Policy Area of the Department (Assistant Secretary), a statement of income and expenses.

The contributions made to the Organization may be deductible subject to the limitations provided under Sections 1033.15(a)(3)(A) of the Code, in the case of individuals, and Section 1033.10(a) of the Code in the case of contributions made by corporations and partnerships.

Any change in the kind of income, character, purpose or changes in operations of the Organization, must be notified immediately to the Assistant Secretary in order to determine the effect over the exemption herein granted. Any amendments made to the articles of incorporation or bylaws of the Organization; have to be informed to the Assistant Secretary.

The Organization, as withholding agent, has the obligation to fulfill with the Subtitle A and D of the Code, including, but not limited to the Sections 1062.01, 1062.03, 1062.08 y 1062.11 of Code, related with the withholding and payment of the income tax and filing the informative returns required under the provision of Section 1063.01 of the Code. The Organization, also will file a Sales, and Use Tax Monthly Return and any others return or informative, return required.

The Organization is subject to the provisions of Sections 1102.01 and 1102.02 of the Code, related to unrelated business income, as well as the provisions of Sections 1102.06 and 1102.07 of the Code, related to prohibited transactions and unreasonable accumulation of income.



The Organization must comply at all times, with the provisions of Section 1101.01(d)(2) of the Code, which states, among other things, that its operations must be governed by a board of directors composed of not less than three (3) members of which fifty percent (50%) or more can not be members of the same family. Therefore, any change in the composition of the board of directors must be notified, by sworn statement signed by the Chairman of the Board of Directors, to the Tax Exemption Division, Suite 602, in which certifies the compliance with Section 1101.01(d)(2) of the Code.

According to Section 6051.02 of the Code, the Department is authorized to examine any books, records, or memoranda bearing upon the matter required to be included in the return, and to determine the Organization's compliance with the requirements of the Code. The Department has the power to revoke the tax exemption herein granted, in any case it is determined that the Organization is not operating according to the purpose for which it was organized, as stated in the tax exemption documents filed in this Department, or that the Organization is not complying with the requirements of the Code.

No opinion is expressed as to the tax treatment of the above transactions under any other provision of the Code and the regulations thereunder that may also be applicable thereto, or to the tax treatment of any condition existing at this time or any effect resulting therefrom, that is not specifically covered by this ruling. The opinion expressed herein shall be valid only upon the continued existence of the facts as submitted for our consideration.

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The tax exemption is hereby granted shall be effective from December 24, 2014, the date in which the Organization was submitted the Application for Tax Exemption.

Cordially,

Elisa Vélez Pérez  
Assistant Secretary  
Tax Policy Area

By:   
Luis O. Rivera Rosa, Chief  
Tax Incentives Division