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THE STATE UNIVERSITY OF NEW YORK

Potsdam

## **TAX EXEMPT STATUS – STATE UNIVERSITY OF NEW YORK**

“Section Eight, Clause One of the Constitution of the United States, provides in part that the Congress shall have the power to levy taxes. Judicial interpretation of this section has led to a general rule that neither state nor federal governments may tax instrumentalities of the other, if doing so would interfere with governmental functions.”

“In addition, the Internal Revenue Code (26 USCA 115) specifically provides that, for purposes of federal taxation, gross income does not include....(2) income accruing to the government of any possession of the United States, or any political subdivision thereof.”

“The State University of New York, pursuant to the Education Law of the State of New York, has been established within the State Education Department, itself an agency of the State of New York. In addition, case law has consistently held that the State University is an integral part of the government of the State itself, and is an agency thereof. As a result, the State University shares the tax exempt status of the State of New York itself.” ...”The Internal Revenue Service has assigned the exemption number **14740026K** to the State of New York. This number includes purchases made by the State University as well as an agency of the State.”

“Finally, Section 1116 (2) (1) of the Tax Law of the State of New York specifically provides that sales, use or occupancy to or by the State or any of its agencies, shall not be subject to the taxes imposed under the Sales and Use Tax Article.”