



JANE DEE HULL
GOVERNOR

Arizona
State Land Department

1616 WEST ADAMS
PHOENIX, ARIZONA 85007



J. DENNIS WELLS
STATE LAND COMMISSIONER

July 9, 1998

Mr. John Parsons, Secretary
Verde NRCD
P.O. Box 280
Camp Verde, AZ 86322

Dear Mr. Parsons:

This letter is in response to our phone conversation of July 8, 1998, regarding the tax-exempt status of Arizona's Natural Resource Conservation Districts (NRCDs).

The Verde NRCD is a non-profit political subdivision of Arizona state government organized under and empowered by Arizona Revised Statutes §37-1001 through §37-1057, inclusive. The Verde NRCD is governed by a five-member Board of Supervisors who are officers of the State elected or appointed to office according to State Election and Natural Resource Conservation District law and certified for office by the Secretary of State.

Under Section 115 of the Internal Revenue Code of 1954, the Verde NRCD, as a political subdivision of the State, is not subject to Federal income tax. Furthermore, the Internal Revenue Code of 1954 contains no provision under which a 501(c)(3) exemption may be issued to the Verde NRCD. Stated plainly: The IRS cannot issue a 501(c)(3) tax exemption to an entity that is already tax exempt under Section 115.

Enclosed for your information are a number of items covering this issue in greater detail.

If you have any additional questions, please do not hesitate to call me at (602) 542-2699.

Sincerely,

William L. Warskow

William L. Warskow
NRCD Administrator

WLW:cb

Enclosures

a:\Parsons