

UNIVERSITY OF HAWAII

Financial Management Office

September 16, 1997

CERTIFICATION REGARDING TAX STATUS OF THE UNIVERSITY OF HAWAII

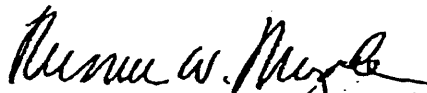
To Whom It May Concern:

Federal or State Income Tax:

The University of Hawaii is an instrumentality of the State, established by law under Hawaii Revised Statute §304-2. As such, the University of Hawaii is statutorily exempt from income taxes under Internal Revenue Code §115. Consequently, a tax exemption certificate is not necessary and may not be issued by the Internal Revenue Service. Therefore, with the exception of unrelated business income tax, in accordance with Internal Revenue Code §115, the University of Hawaii is exempt from Federal and State income tax.

Hawaii General Excise Tax:

The State of Hawaii does not impose a sales tax on the buyer, but a general excise tax (GET) is levied upon the seller. This excise tax is for the privilege of doing business in the State of Hawaii. GET is levied on gross receipts or gross income derived from all business activities in the State. Furthermore, an out-of-state vendor is subject to the general excise tax if the vendor has sufficient presence in the State; presence in the State is established if the vendor has an office, inventory, property, employees, or other representation located in the State. If the vendor meets the criteria of conducting business within the State of Hawaii, the GET is imposed upon the vendor. The vendor may then pass the GET onto the University.



Russell Miyake
Director, Financial Management Office

U.S. Treasury Department

Chief Director

Internal Revenue Service

Date:

In reply refer to:

March 7, 1969

Code 411

BUSINESS OFFICE

University of Hawaii
Business Office, Accounting Section
2444 Dole Street
Honolulu, Hawaii 96822

Gentlemen:

Reference is made to Form SS-15, Certificate Waiving Exemption From Taxes Under the Federal Insurance Contributions Act, and accompanying Form SS-15a filed with this office.

Your attention is called to the following paragraph in the instructions:

"Organizations not qualified to file Form SS-15.--
A wholly owned instrumentality of a State, or of a political subdivision thereof, is not qualified to file Form SS-15 even though it has been granted exemption from income tax as an organization described in section 501(c)(3) of the Internal Revenue Code. Such an instrumentality should communicate with the appropriate State official for information on reporting and acquiring Social Security coverage."

Since the University of Hawaii is an instrumentality of the State of Hawaii, no further consideration will be given to the Form SS-15 and Form SS-15a submitted by you.

Very truly yours,

T. T. DeWolf

T. T. DeWolf
Chief, Audit Division