



IOWA WING HEADQUARTERS
CIVIL AIR PATROL
UNITED STATES AIR FORCE AUXILIARY

P.O. Box 840
Carlisle, IA 50047

3 March 2009

MEMORANDUM OF TAX EXEMPT STATUS IN IOWA

TO: ALL VENDORS OF IOWA WING CIVIL AIR PATROL
ALL SQUADRON COMMANDERS AND WING STAFF

Please notify all vendors of our exemption from sales tax in the State of Iowa.

The Iowa Department of Revenue and Finance recently remitted a letter stating that the Civil Air Patrol in Iowa is considered an "instrumentality of the Air Force and thus an instrumentality of the Federal Government of which the Air Force is a part." This letter was generated from a tax specialist in the compliance division for the State of Iowa. A copy of this letter is accompanied with this memorandum. Our exemption originates from the supremacy clause of the federal constitution and 422.45(5) of the Iowa Code.

As you are already aware, the Civil Air Patrol is exempt from Federal Income Tax. The Employer Identification Number (E.I.N.) for the Civil Air Patrol is 75-6037853 and this number can be found in CAPR 173-3.

Questions/comments may be directed to the Iowa Wing Administrator, Amanda Hartman, at 515-205-5654 or wingadmin@iawg.cap.gov.


RONALD J. SCHEITZACH, Colonel, CAP
Wing Commander



February 18, 2009

Ronald Scheitzach, Commander
Iowa Wing Civil Air Patrol
United States Air Force Auxiliary
P. O. Box 840
Carlisle, IA 50047

Re: Federal instrumentalities

Thank you for your organization's continuing confidence in my ability to answer your more difficult questions about Iowa sales and use tax law.

Purchases by instrumentalities of the Federal Government are exempt from state sales tax under the supremacy "clause" of the federal constitution and § 423.3(31) of the Iowa Code. Your letter asks for a statement that the law of the State of Iowa considers the Civil Air Patrol to be an instrumentality of the Federal Government.

I have examined 909 U.S.C. § 9441 which establishes the relationship between the Civil Air Patrol and the United States Air Force and various other related statutes. Having done that, I would reaffirm my conclusion in the letter of October 30, 2000 that, under Iowa law, the Civil Air Patrol is an instrumentality of the Air Force and thus an instrumentality of the Federal Government of which the Air Force is a part. Indeed, § 9441(c) states that for the purposes of federal tort claim law ". . . the Civil Air Patrol shall be deemed to be an instrumentality of the United States." So, it is easy enough to conclude that the Civil Air Patrol is an instrumentality of the United States, and its purchases would be exempt from Iowa sales and use tax on that basis.

In closing, I must issue my usual warning. The opinions which I have expressed in this letter are informal only. Because of this, the Department could, in the future, take a position contrary to them.

Sincerely,

Darwin D. Clupper

Darwin D. Clupper
Tax Specialist, Policy Section
Compliance Division
515-281-3670

POLICY SECTION ASSIGNMENT/SUMMARY REPORT

From: Civil Air
Patrol

TS: Darwin D. Clupper

Date: 02-18-2009.

Control #: ES-10-07-

Due Date: 02-18-2009.

02-C

Subject Matter: Government instrumentality

Summary of Position Statement or Correspondence: The Civil Air Patrol is an instrumentality of the Federal Government, and its purchases are exempt from tax on that basis.