



The State of New Hampshire
Department of Environmental Services

Thomas S. Burack, Commissioner



*Celebrating 25 Years of Protecting
New Hampshire's Environment*

TO: Local River Advisory Committees
RE: Tax Deductible Status of Grants and Donations made to LACs

Grants and/or donations made to local river management advisory committees (LACs) are tax deductible.

During the 1997 session, the NH Legislature passed a bill (HB 744-FN) that expressly intended to establish the tax exempt status of LACs and to clear the path for charitable contributions to these organizations. By law, LACs established under the Rivers Management and Protection Act (RSA 483) are considered to be "government instrumentalities" and, as such, tax-exempt organizations performing charitable, public and essential functions not otherwise fulfilled by state government. **Please remember that LACs are also authorized under RSA 483:13, to accept and expend funds from any source to carry out their duties.**

To explain further, Section 170 (a)(1) of the Internal Revenue Code states that: "*There shall be allowed as a deduction any charitable contribution (as defined in subsection (c)) payment of which is made within the taxable year.*" Section 170 (c)(1) of the Internal Revenue Code states: "*for the purposes of this section, the term 'charitable contribution' means a contribution of gift to or for the use of a State, a possession of the United States, or any political subdivision of any of the foregoing but only if the contribution or gift is made for exclusively public purposes.*" As "government instrumentalities" gifts to the local river management advisory committees would be deductible under the foregoing sections of the Internal Revenue Code.

The Department of Environmental Services (DES) has the utmost respect and gratitude for the valuable and important work performed by the local river management advisory committees since the establishment of the NH Rivers Management and Protection Program in 1988.

For questions, please contact the Rivers Coordinator at: 603-271-2959 or riversprogram@des.nh.gov

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