

Return of Organization Exempt From Income Tax

Department of the Treasury
Internal Revenue Service

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

The organization may have to use a copy of this return to satisfy state reporting requirements

A For the **2001** calendar year, or tax year period beginning and ending

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type See Specific Instructions	C Name of organization TAX FOUNDATION		D Employer identification number 52-1703065
		Number and street (or P O box if mail is not delivered to street address) 1250 H STREET, N.W.	Room/suite 750	E Telephone number (202) 783-2760
		City or town state or country, and ZIP + 4 WASHINGTON, DC 20005		F Accounting method <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify)

Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ)

H and I are not applicable to section 527 organizations

G Web site **WWW.TAXFOUNDATION.ORG**

J Organization type (check only one) 501(c) (3) (insert no) 4947(a)(1) or 527

K Check here if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS, but if the organization received a Form 990 Package in the mail it should file a return without financial data. Some states require a complete return

H(a) Is this a group return for affiliates? Yes No

H(b) If "Yes" enter number of affiliates

H(c) Are all affiliates included? **N/A** Yes No (If "No" attach a list)

H(d) Is this a separate return filed by an organization covered by a group ruling? Yes No

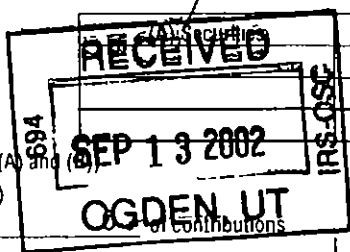
I Enter 4-digit GEN

L Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12 **1,251,911.**

M Check if the organization is not required to attach Sch B (Form 990, 990-EZ, or 990-PF)

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances

Revenue	1	Contributions, gifts, grants, and similar amounts received			
	a	Direct public support	1a	1,082,465.	
	b	Indirect public support	1b		
	c	Government contributions (grants)	1c		
	d	Total (add lines 1a through 1c) (cash \$ <u>1,082,465.</u> noncash \$ _____)	1d		1,082,465.
	2	Program service revenue including government fees and contracts (from Part VII line 93)	2		36,157.
	3	Membership dues and assessments	3		
	4	Interest on savings and temporary cash investments	4		9,968.
	5	Dividends and interest from securities	5		
	6a	Gross rents	6a		
	b	Less rental expenses	6b		
	c	Net rental income or (loss) (subtract line 6b from line 6a)	6c		
7	Other investment income (describe)	7			
8a	Gross amount from sale of assets other than inventory	8a			
b	Less cost or other basis and sales expenses	8b			
c	Gain or (loss) (attach schedule)	8c			
d	Net gain or (loss) (combine line 8c, columns (A) and (B) Other)	8d			
9a	Gross revenue (not including \$ reported on line 1a)	9a	122,100.		
b	Less direct expenses other than fundraising expenses	9b	63,175.		
c	Net income or (loss) from special events (subtract line 9b from line 9a)	9c		58,925.	
10a	Gross sales of inventory less returns and allowances	10a			
b	Less cost of goods sold	10b			
c	Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c			
11	Other revenue (from Part VII line 103)	11		1,221.	
12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12		1,188,736.	
Expenses	13	Program services (from line 44, column (B))	13		719,743.
	14	Management and general (from line 44, column (C))	14		170,086.
	15	Fundraising (from line 44 column (D))	15		272,748.
	16	Payments to affiliates (attach schedule)	16		
	17	Total expenses (add lines 16 and 44, column (A))	17		1,162,577.
Net Assets	18	Excess or (deficit) for the year (subtract line 17 from line 12)	18		26,159.
	19	Net assets or fund balances at beginning of year (from line 73, column (A))	19		344,287.
	20	Other changes in net assets or fund balances (attach explanation)	20		0.
	21	Net assets or fund balances at end of year (combine lines 18, 19 and 20)	21		370,446.



Part II Statement of Functional Expenses All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22	Grants and allocations (attach schedule)				
	cash \$ _____ noncash \$ _____				
23	Specific assistance to individuals (attach schedule)				
24	Benefits paid to or for members (attach schedule)				
25	Compensation of officers directors etc	110,000.	66,000.	22,000.	22,000.
26	Other salaries and wages	377,236.	246,294.	56,937.	74,005.
27	Pension plan contributions				
28	Other employee benefits	42,170.	27,029.	6,832.	8,309.
29	Payroll taxes	36,622.	23,473.	5,933.	7,216.
30	Professional fundraising fees				
31	Accounting fees	14,705.		14,705.	
32	Legal fees	1,857.		1,857.	
33	Supplies	18,985.	3,002.	15,216.	767.
34	Telephone	15,361.	11,907.	1,312.	2,142.
35	Postage and shipping	113,669.	17,193.	3,114.	93,362.
36	Occupancy	108,391.	69,473.	17,560.	21,358.
37	Equipment rental and maintenance	1,850.	1,276.	259.	315.
38	Printing and publications	81,838.	65,138.	10,162.	6,538.
39	Travel	176,333.	162,612.	2,693.	11,028.
40	Conferences, conventions and meetings				
41	Interest				
42	Depreciation, depletion, etc (attach schedule)	7,042.	4,514.	1,140.	1,388.
43	Other expenses not covered above (itemize)				
a	_____				
b	_____				
c	_____				
d	_____				
e	SEE STATEMENT 2	56,518.	21,832.	10,366.	24,320.
44	Total functional expenses (add lines 22 through 43) Organizations completing columns (B) (D) carry these totals to lines 13-15	1,162,577.	719,743.	170,086.	272,748.

Joint Costs Check if you are following SOP 98-2
 Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No
 If Yes, enter (i) the aggregate amount of these joint costs \$ _____ (ii) the amount allocated to Program services \$ _____
 (iii) the amount allocated to Management and general \$ _____, and (iv) the amount allocated to Fundraising \$ _____

Part III Statement of Program Service Accomplishments

What is the organization's primary exempt purpose? **SEE STATEMENT 3**

All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)

Program Service Expenses	(Required for 501(c)(3) and (4) orgs and 4947(a)(1) trusts but optional for others)
a RESEARCH AND COMMUNICATION: RESEARCH PROPOSED CHANGES IN AREAS OF TAXATION AND ITEMS OF CURRENT INTEREST TO PROVIDE INFORMATION ABOUT PUBLIC FINANCE AND COMMUNICATE THE RESULT OF RESEARCH TO THE GENERAL PUBLIC. (Grants and allocations \$ _____)	498,800.
b CONFERENCES: CONDUCTED TO PROMOTE DISCUSSION ON AREAS OF CURRENT INTEREST ON ISSUES OF FEDERAL, STATES, AND LOCAL TAX POLICY. (Grants and allocations \$ _____)	220,943.
c _____ (Grants and allocations \$ _____)	
d _____ (Grants and allocations \$ _____)	
e Other program services (attach schedule) (Grants and allocations \$ _____)	
f Total of Program Service Expenses (should equal line 44, column (B), Program services)	719,743.

Part IV Balance Sheets

Note Where required, attached schedules and amounts within the description column should be for end-of-year amounts only

		(A) Beginning of year		(B) End of year	
Assets	45 Cash - non-interest-bearing	324,304.	45	370,810.	
	46 Savings and temporary cash investments	22,154.	46	22,994.	
	47 a Accounts receivable	47a			
	b Less allowance for doubtful accounts	47b	47c		
	48 a Pledges receivable	48a	43,034.		
	b Less allowance for doubtful accounts	48b	106,000.	48c	
	49 Grants receivable			49	
	50 Receivables from officers directors trustees and key employees			50	
	51 a Other notes and loans receivable	51a			
	b Less allowance for doubtful accounts	51b		51c	
	52 Inventories for sale or use			52	
	53 Prepaid expenses and deferred charges		4,349.	53	
	54 Investments - securities	▶ <input type="checkbox"/> Cost <input type="checkbox"/> FMV		54	
	55 a Investments - land buildings and equipment basis	55a			
	b Less accumulated depreciation	55b		55c	
56 Investments - other			56		
57 a Land, buildings, and equipment basis	57a	42,212.			
b Less accumulated depreciation STMT 4	57b	20,727.	57c		
58 Other assets (describe ▶)		20,527.	58		
59 Total assets (add lines 45 through 58) (must equal line 74)		477,334.	59	465,059.	
Liabilities	60 Accounts payable and accrued expenses	54,317.	60	34,882.	
	61 Grants payable		61		
	62 Deferred revenue	6,094.	62	3,799.	
	63 Loans from officers, directors, trustees, and key employees		63		
	64 a Tax-exempt bond liabilities		64a		
	b Mortgages and other notes payable		64b		
65 Other liabilities (describe ▶ SEE STATEMENT 5)		72,636.	65	55,932.	
66 Total liabilities (add lines 60 through 65)		133,047.	66	94,613.	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74				
	67 Unrestricted	243,747.	67	241,369.	
	68 Temporarily restricted	100,540.	68	129,077.	
	69 Permanently restricted		69		
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74				
	70 Capital stock, trust principal, or current funds		70		
	71 Paid-in or capital surplus, or land, building, and equipment fund		71		
	72 Retained earnings, endowment, accumulated income or other funds		72		
	73 Total net assets or fund balances (add lines 67 through 69 OR lines 70 through 72, column (A) must equal line 19 column (B) must equal line 21)		344,287.	73	370,446.
	74 Total liabilities and net assets / fund balances (add lines 66 and 73)		477,334.	74	465,059.

Form 990 is available for public inspection and for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return	
a Total revenue, gains, and other support per audited financial statements	a 1,188,736.
b Amounts included on line a but not on line 12, Form 990	
(1) Net unrealized gains on investments \$	
(2) Donated services and use of facilities \$	
(3) Recoveries of prior year grants \$	
(4) Other (specify) \$	
Add amounts on lines (1) through (4)	b 0.
c Line a minus line b	c 1,188,736.
d Amounts included on line 12, Form 990 but not on line a	
(1) Investment expenses not included on line 6b, Form 990 \$	
(2) Other (specify) \$	
Add amounts on lines (1) and (2)	d 0.
e Total revenue per line 12, Form 990 (line c plus line d)	e 1,188,736.

Part IV-B Reconciliation of Expenses per Audited Financial Statements With Expenses per Return	
a Total expenses and losses per audited financial statements	a 1,162,577.
b Amounts included on line a but not on line 17, Form 990	
(1) Donated services and use of facilities \$	
(2) Prior year adjustments reported on line 20, Form 990 \$	
(3) Losses reported on line 20, Form 990 \$	
(4) Other (specify) \$	
Add amounts on lines (1) through (4)	b 0.
c Line a minus line b	c 1,162,577.
d Amounts included on line 17, Form 990 but not on line a	
(1) Investment expenses not included on line 6b, Form 990 \$	
(2) Other (specify) \$	
Add amounts on lines (1) and (2)	d 0.
e Total expenses per line 17, Form 990 (line c plus line d)	e 1,162,577.

Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans & deferred compensation	(E) Expense account and other allowances
SCOTT HODGE 1250 H STREET, NW, SUITE 750 WASHINGTON, DC 20005	EXECUTIVE DIRECTOR ASRQ	110,000.	1,100.	0.
WAYNE E. GABLE 1250 H STREET, NW, SUITE 750 WASHINGTON, DC 20005	PRESIDENT ASRQ	0.	0.	0.
JAMES W. LINTOTT 1250 H STREET, NW, SUITE 750 WASHINGTON, DC 20005	DIRECTOR ASRQ	0.	0.	0.
THE HONORABLE JAMES C. MILLER III 1250 H STREET, NW, SUITE 750 WASHINGTON, DC 20005	DIRECTOR ASRQ	0.	0.	0.
MICHAEL P. BOYLE 1250 H STREET, NW, SUITE 750 WASHINGTON, DC 20005	DIRECTOR ASRQ	0.	0.	0.
JOSEPH O. LUBY JR. 1250 H STREET, NW, SUITE 750 WASHINGTON, DC 20005	DIRECTOR ASRQ	0.	0.	0.

75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations, of which more than \$10,000 was provided by the related organizations? If "Yes," attach schedule Yes No Form 990 (2001)

123031 01-02-02

Part VI Other Information

Table with columns for question number, question text, and Yes/No columns. Includes questions 76 through 91 regarding organizational activities, financials, and governance.

91 The books are in care of THE FOUNDATION Telephone no (202) 783-2760
Located at 1250 H ST., N.W., STE 750, WASHINGTON, DC ZIP+4 20005

92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here and enter the amount of tax-exempt interest received or accrued during the tax year

Part VII Analysis of Income-Producing Activities (See Specific Instructions on page 32)

	Unrelated business income		Excluded by section 512 513 or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclu- sion code	(D) Amount	
93 Program service revenue					
a PUBLICATION SALES					31,037.
b MISCELLANEOUS INCOME					5,120.
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	9,968.	
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					58,925.
102 Gross profit or (loss) from sales of inventory					
103 Other revenue					
a ROYALTIES			15	1,221.	
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		0.		11,189.	95,082.
105 Total (add line 104, columns (B) (D), and (E))					106,271.

Note Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See Specific Instructions on page 32)

Line No	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
93A	SALES OF PUBLICATION: RESEARCH RESULTS AND OTHER RELATED INFORMATION ARE MADE AVAILABLE TO THE GENERAL PUBLIC.
93B	MISCELLANEOUS INCOME RECEIVED IN CONJUNCTION WITH THE ACTIVITIES AND DISCUSSIONS OF TAX POLICY.

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See Specific Instructions on page 33)

(A) Name, address and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See Specific Instructions on page 33)

- (a) Did the organization during the year receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No
- (b) Did the organization during the year pay premiums directly or indirectly, on a personal benefit contract? Yes No

Accompanying schedules and statements and to the best of my knowledge and belief it is true information of which preparer has any knowledge

9-9-02 EXECUTIVE DIRECTOR

SCHEDULE A
(Form 990 or 990-EZ)

Organization Exempt Under Section 501(c)(3)

(Except Private Foundation) and Section 501(e), 501(f), 501(k),
501(n), or Section 4947(a)(1) Nonexempt Charitable Trust

OMB No 1545-0047

2001

Department of the Treasury
Internal Revenue Service

Supplementary Information-(See separate instructions.)
▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

Name of the organization **TAX FOUNDATION** Employer identification number **52 1703065**

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees

(See page 1 of the instructions List each one If there are none enter "None")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
BILL AHERN ----- 1250 H ST, NW, #750, WASHINGTON, DC	DIR-COMM 40	64,040.	1,902.	
SCOTT MOODY ----- 1250 H ST, NW, #750, WASHINGTON, DC	SEN. ECON 40	63,647.	6,043.	

Total number of other employees paid over \$50,000 ▶	0			

Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services

(See page 2 of the instructions List each one (whether individuals or firms) If there are none enter "None")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
NONE -----		

Total number of others receiving over \$50,000 for professional services ▶	0	

Part III Statements About Activities (See page 2 of the instructions)

	Yes	No
1 During the year has the organization attempted to influence national state or local legislation including any attempt to influence public opinion on a legislative matter or referendum? If "Yes" enter the total expenses paid or incurred in connection with the lobbying activities ▶ \$ _____ \$ _____ (Must equal amounts on line 38, Part VI-A, or line I of Part VI-B) Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities		X
2 During the year, has the organization, either directly or indirectly engaged in any of the following acts with any substantial contributors, trustees directors, officers, creators, key employees or members of their families or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions)		
a Sale, exchange, or leasing of property?		X
b Lending of money or other extension of credit?		X
c Furnishing of goods, services or facilities?		X
d Payment of compensation (or payment or reimbursement of expenses if more than \$1 000)? SEE PART V, FORM 990	X	
e Transfer of any part of its income or assets?		X
3 Does the organization make grants for scholarships fellowships, student loans, etc ? (See Note below)		X
4 Do you have a section 403(b) annuity plan for your employees?	X	
Note Attach a statement to explain how the organization determines that individuals or organizations receiving grants or loans from it in furtherance of its charitable programs "qualify" to receive payments		

Part IV Reason for Non-Private Foundation Status (See pages 3 through 6 of the instructions)

The organization is not a private foundation because it is (Please check only ONE applicable box)

- 5 A church convention of churches or association of churches Section 170(b)(1)(A)(i)
- 6 A school Section 170(b)(1)(A)(ii) (Also complete Part V)
- 7 A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii)
- 8 A Federal, state, or local government or governmental unit Section 170(b)(1)(A)(v)
- 9 A medical research organization operated in conjunction with a hospital Section 170(b)(1)(A)(iii) Enter the hospital's name, city, and state ▶ _____
- 10 An organization operated for the benefit of a college or university owned or operated by a governmental unit Section 170(b)(1)(A)(iv) (Also complete the **Support Schedule** in Part IV-A)
- 11a An organization that normally receives a substantial part of its support from a governmental unit or from the general public Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A)
- 11b A community trust Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A)
- 12 An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable etc functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See section 509(a)(2) (Also complete the **Support Schedule** in Part IV-A)
- 13 An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in (1) lines 5 through 12 above, or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2) (See section 509(a)(3))

Provide the following information about the supported organizations (See page 5 of the instructions)

(a) Name(s) of supported organization(s)	(b) Line number from above

- 14 An organization organized and operated to test for public safety Section 509(a)(4) (See page 6 of the instructions)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12) Use cash method of accounting
 Note You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting

Calendar year (or fiscal year beginning in)	(a) 2000	(b) 1999	(c) 1998	(d) 1997	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants. See line 28.)	1,090,820.	990,705.	1,207,332.	1,416,388.	4,705,245.
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose	162,118.	43,196.	77,962.	55,080.	338,356.
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	13,639.	12,234.	16,092.	13,647.	55,612.
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge.					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets.			SEE STATEMENT 7 200.	230.	430.
23 Total of lines 15 through 22	1,266,577.	1,046,135.	1,301,586.	1,485,345.	5,099,643.
24 Line 23 minus line 17	1,104,459.	1,002,939.	1,223,624.	1,430,265.	4,761,287.
25 Enter 1% of line 23	12,666.	10,461.	13,016.	14,853.	
26 Organizations described on lines 10 or 11	a Enter 2% of amount in column (e) line 24				26a 95,226.
	b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1997 through 2000 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts.				26b 412,271.
	c Total support for section 509(a)(1) test. Enter line 24, column (e).				26c 4,761,287.
	d Add Amounts from column (e) for lines	18 55,612.	19	26b 412,271.	26d 468,313.
		22 430.			26e 4,292,974.
	e Public support (line 26c minus line 26d total)				26f 90.1642%
	f Public support percentage (line 26e (numerator) divided by line 26c (denominator))				
27 Organizations described on line 12	a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of and total amounts received in each year from each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year. N/A				
	(2000)	(1999)	(1998)	(1997)	
	b For any amount included in line 17 that was received from each person (other than "disqualified persons") prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year. N/A				
	(2000)	(1999)	(1998)	(1997)	
	c Add Amounts from column (e) for lines	15 _____	16 _____		27c N/A
		17 _____	20 _____	21 _____	27d N/A
	d Add Line 27a total _____ and line 27b total _____				27e N/A
	e Public support (line 27c total minus line 27d total)				
	f Total support for section 509(a)(2) test. Enter amount on line 23, column (e)				27f N/A
	g Public support percentage (line 27e (numerator) divided by line 27f (denominator))				27g N/A %
	h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))				27h N/A %
28 Unusual Grants	For an organization described in line 10, 11, or 12, that received any unusual grants during 1997 through 2000, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.				NONE

Part V Private School Questionnaire (See page 7 of the instructions)

N/A

(To be completed ONLY by schools that checked the box on line 6 in Part IV)

		Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe, if "No," please explain (If you need more space, attach a separate statement.)		
<hr/>			
<hr/>			
32	Does the organization maintain the following:		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?	32a	
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b	
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c	
d	Copies of all material used by the organization or on its behalf to solicit contributions? If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement.)	32d	
<hr/>			
33	Does the organization discriminate by race in any way with respect to:		
a	Students' rights or privileges?	33a	
b	Admissions policies?	33b	
c	Employment of faculty or administrative staff?	33c	
d	Scholarships or other financial assistance?	33d	
e	Educational policies?	33e	
f	Use of facilities?	33f	
g	Athletic programs?	33g	
h	Other extracurricular activities? If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement.)	33h	
<hr/>			
<hr/>			
34 a	Does the organization receive any financial aid or assistance from a governmental agency?	34a	
b	Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement	34b	
35	Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev. Proc. 75-50, 1975-2 C.B. 587 covering racial nondiscrimination? If "No," attach an explanation	35	

Schedule B
(Form 990, 990-EZ, or
990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

Supplementary Information for
line 1 of Form 990, 990-EZ and 990-PF (see instructions)

OMB No 1545-0047

2001

Name of organization

TAX FOUNDATION

Employer identification number

52-1703065

Organization type (check one)

- | Filers of | Section |
|--------------------|--|
| Form 990 or 990 EZ | <input checked="" type="checkbox"/> 501(c)(3) (enter number) organization |
| | <input type="checkbox"/> 4947(a)(1) nonexempt charitable trust not treated as a private foundation |
| | <input type="checkbox"/> 527 political organization |
| Form 990 PF | <input type="checkbox"/> 501(c)(3) exempt private foundation |
| | <input type="checkbox"/> 4947(a)(1) nonexempt charitable trust treated as a private foundation |
| | <input type="checkbox"/> 501(c)(3) taxable private foundation |

Check if your organization is covered by the **General rule** or a **Special rule** (**Note** Only a section 501(c)(7), (8), or (10) organization can check box(es) for both the General rule and a Special rule-see instructions)

General Rule-

- For organizations filing Form 990, 990 EZ, or 990 PF that received, during the year, \$5,000 or more (in money or property) from any one contributor (Complete Parts I and II)

Special Rules-

- For a section 501(c)(3) organization filing Form 990, or Form 990-EZ, that met the 33 1/3% support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of \$5,000 or 2% of the amount on line 1 of these forms (Complete Parts I and II)
- For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, aggregate contributions or bequests of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals (Complete Parts I, II, and III)
- For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, some contributions for use *exclusively* for religious, charitable, etc , purposes, but these contributions did not aggregate to more than \$1,000 (If this box is checked enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc , purpose Do not complete any of the Parts unless the General rule applies to this organization because it received nonexclusively religious, charitable, etc , contributions of \$5,000 or more during the year) ▶ \$ _____

Caution Organizations that are not covered by the General rule and/or the Special rules do not file Schedule B (Form 990, 990-EZ, or 990-PF), but they must check the box in the heading of their Form 990, Form 990-EZ, or on line 1 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF)

Schedule B (Form 990, 990-EZ, or 990-PF) (2001)

Name of organization

Employer identification number

TAX FOUNDATION

52-1703065

Part I Contributors (See Specific Instructions)

(a) No	(b) Name, address and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1		\$ 117,907.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
2		\$ 37,500.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
3		\$ 30,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
4		\$ 40,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
5		\$ 22,500.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
6		\$ 23,500.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)

Name of organization

Employer identification number

TAX FOUNDATION

52-1703065

Part I Contributors (See Specific Instructions)

(a) No	(b) Name, address and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
7		\$ 50,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
8		\$ 37,500.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
9		\$ 35,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
10		\$ 82,500.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
11		\$ 25,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
12		\$ 25,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)

FORM 990

SPECIAL EVENTS AND ACTIVITIES

STATEMENT 1

DESCRIPTION OF EVENT	GROSS RECEIPTS	CONTRIBUT. INCLUDED	GROSS REVENUE	DIRECT EXPENSES	NET INCOME
ANNUAL DINNER	122,100.		122,100.	63,175.	58,925.
TO FM 990, PART I, LINE 9	122,100.		122,100.	63,175.	58,925.

FORM 990	OTHER EXPENSES			STATEMENT 2
DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING
COMMON COST / OVERHEAD	4,856.	3,178.	803.	875.
MISCELLANEOUS	7,362.	608.	6,687.	67.
INSURANCE	1,919.	1,230.	311.	378.
ADVERTISING	3,527.	3,527.		
TEMPORARY HELP	16,951.			16,951.
PROFESSIONAL FEES	21,903.	13,289.	2,565.	6,049.
TOTAL TO FM 990, LN 43	56,518.	21,832.	10,366.	24,320.

FORM 990 STATEMENT OF ORGANIZATION'S PRIMARY EXEMPT PURPOSE STATEMENT 3
PART III

EXPLANATION

THE TAX FOUNDATION IS A RESEARCH AND EDUCATIONAL ORGANIZATION WHICH STUDIES FISCAL POLICY ISSUES TO EDUCATE POLICY MAKERS AND THE PUBLIC.

FORM 990 DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT STATEMENT 4

<u>DESCRIPTION</u>	<u>COST OR OTHER BASIS</u>	<u>ACCUMULATED DEPRECIATION</u>	<u>BOOK VALUE</u>
FURNITURE AND EQUIPMENT	42,212.	20,727.	21,485.
TOTAL TO FORM 990, PART IV, LN 57	42,212.	20,727.	21,485.

FORM 990 OTHER LIABILITIES STATEMENT 5

DESCRIPTION	AMOUNT
DUES TO AFFILIATED ORGANIZATIONS	55,932.
TOTAL TO FORM 990, PART IV, LINE 65, COLUMN B	55,932.

FORM 990 IDENTIFICATION OF RELATED ORGANIZATIONS STATEMENT 6
PART VI, LINE 80B

<u>NAME OF ORGANIZATION</u>	<u>EXEMPT</u>	<u>NONEXEMPT</u>
CITIZENS FOR A SOUND ECONOMY	X	
CITIZENS FOR A SOUND ECONOMY FOUNDATION	X	

SCHEDULE A	OTHER INCOME			STATEMENT 7
DESCRIPTION	2000 AMOUNT	1999 AMOUNT	1998 AMOUNT	1997 AMOUNT
MISCELLANEOUS	0.	0.	200.	230.
TOTAL TO SCHEDULE A, LINE 22	0.	0.	200.	230.

- If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only Part II and check this box
- Note** Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868
- If you are filing for an **Automatic 3-Month Extension**, complete only Part I (on page 1)

Part II Additional (not automatic) 3-Month Extension of Time - Must file Original and One Copy.		
Type or print	Name of Exempt Organization TAX FOUNDATION	Employer identification number 52-1703065
File by the extended due date for filing the return. See instructions	Number, street, and room or suite no. If a P.O. box, see instructions 1250 H STREET, N.W., NO. 750	For IRS use only
	City, town or post office, state, and ZIP code. For a foreign address, see instructions WASHINGTON, DC 20005	

- Check type of return to be filed (File a separate application for each return)
- | | | | | | |
|--|--------------------------------------|--|--------------------------------------|------------------------------------|------------------------------------|
| <input checked="" type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-EZ | <input type="checkbox"/> Form 990-T (sec 401(a) or 408(a) trust) | <input type="checkbox"/> Form 1041-A | <input type="checkbox"/> Form 5227 | <input type="checkbox"/> Form 8870 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 990-PF | <input type="checkbox"/> Form 990-T (trust other than above) | <input type="checkbox"/> Form 4720 | <input type="checkbox"/> Form 6069 | |

STOP Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

- If the organization does not have an office or place of business in the United States, check this box
- If this is for a **Group Return**, enter the organization's four digit Group Exemption Number (GEN) _____ If this is for the **whole group**, check this box If it is for **part of the group**, check this box and attach a list with the names and EINs of all members the extension is for

4 I request an additional 3-month extension of time until NOVEMBER 15, 2002

5 For calendar year 2001, or other tax year beginning _____ and ending _____

6 If this tax year is for less than 12 months, check reason Initial return Final return Change in accounting period

7 State in detail why you need the extension
ADDITIONAL TIME IS REQUIRED TO GATHER THE NECESSARY INFORMATION FROM EXTERNAL THIRD PARTIES TO ALLOW FOR A COMPLETE AND ACCURATE FILING.

8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions \$ _____

b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868 \$ _____

c **Balance Due** Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions \$ N/A

Signature and Verification

Under penalties of perjury, I declare that I have examined this form including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature [Signature] Title C.P.A. Date 8/8/02

Notice to Applicant - To Be Completed by the IRS

- We have approved this application. Please attach this form to the organization's return.
- We have not approved this application. However, we have granted a 10-day grace period from the later of the date shown below or the due date of the organization's return (including any prior extensions). This grace period is considered to be a valid extension of time for elections otherwise required to be made on a timely return. Please attach this form to the organization's return.
- We have not approved this application. After considering the reasons stated in item 7, we cannot grant your request for an extension of time to file. We are not granting the 10-day grace period.
- We cannot consider this application because it was filed after the due date of the return for which an extension was requested.
- Other _____

Director _____ By _____ Date _____

Alternate Mailing Address - Enter the address if you want the copy of this application for an additional 3-month extension returned to an address different than the one entered above

Type or print	Name RUBINO & MCGEEHIN, CHARTERED
	Number and street (include suite, room, or apt. no.) Or a P.O. box number 6905 ROCKLEDGE DRIVE, SUITE 700
	City or town, province or state, and country (including postal or ZIP code) BETHESDA, MD 20817

Application for Extension of Time To File an Exempt Organization Return

OMB No 1545-1709

▶ File a separate application for each return

- If you are filing for an Automatic 3-Month Extension, complete only Part I and check this box
 - If you are filing for an Additional (not automatic) 3-Month Extension, complete only Part II (on page 2 of this form)
- Note: Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.**

Part I Automatic 3-Month Extension of Time - Only submit original (no copies needed)

Note: Form 990-T corporations requesting an automatic 6-month extension - check this box and complete Part I only
All other corporations (including Form 990-C filers) must use Form 7004 to request an extension of time to file income tax returns. Partnerships, REMICs and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041

Type or print	Name of Exempt Organization TAX FOUNDATION	Employer identification number 52-1703065
File by the due date for filing your return. See instructions.	Number, street, and room or suite no. If a P O box, see instructions 1250 H STREET, N.W., NO. 750	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. WASHINGTON, DC 20005	

Check type of return to be filed (file a separate application for each return)

- | | | |
|--|--|------------------------------------|
| <input checked="" type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-T (corporation) | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 990-T (sec 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-EZ | <input type="checkbox"/> Form 990-T (trust other than above) | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-PF | <input type="checkbox"/> Form 1041-A | <input type="checkbox"/> Form 8870 |

- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____ If this is for the whole group, check this box If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension will cover

1 I request an automatic 3-month (6-month, for 990-T corporation) extension of time until AUGUST 15, 2002 to file the exempt organization return for the organization named above. The extension is for the organization's return for calendar year 2001 or tax year beginning _____, and ending _____

2 If this tax year is for less than 12 months, check reason Initial return Final return Change in accounting period

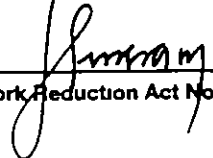
3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions \$ _____

b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit \$ _____

c Balance Due. Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System) See instructions \$ N/A

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form

Signature ▶  Title ▶ C.P.A. Date ▶ 5/8/02

LHA For Paperwork Reduction Act Notice, see instruction Form 8868 (12-2000)