

Return of Organization Exempt From Income Tax

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

2008

Open to Public Inspection

Department of the Treasury Internal Revenue Service

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

A For the 2008 calendar year, or tax year beginning and ending

B Check if applicable (Address change, Name change, Initial return, Termination, Amended return, Application pending)
C Name of organization: TAX FOUNDATION
D Employer identification number: 52-1703065
E Telephone number: 202-464-6200
G Gross receipts \$: 2,502,661
H(a) Is this a group return for affiliates? Yes No
H(b) Are all affiliates included? Yes No
I Tax-exempt status: 501(c) (3)
J Website: WWW.TAXFOUNDATION.ORG
K Type of organization: Corporation
L Year of formation: 1937
M State of legal domicile: DC

Part I Summary

Table with 3 columns: Line number, Description, Amount. Rows include: 1-7a Activities & Governance, 8-12 Revenue, 13-19 Expenses, 20-22 Net Assets or Fund Balances.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Signature of officer: Scott A. Hodge, President. Date: 6-16-2009.

Preparer's signature: COCCHIARO & ASSOCIATES, LLC. Date: 6-16-09. Preparer's identifying number: 703-519-1226.

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No

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Part III Statement of Program Service Accomplishments (see instructions)

1 Briefly describe the organization's mission:

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

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?

Yes No [X]

If "Yes", describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services?

Yes No [X]

If "Yes", describe these changes on Schedule O.

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a (Code ) (Expenses \$ 1,437,002. including grants of \$ ) (Revenue \$ )

RESEARCH AND COMMUNICATIONS - RESEARCH PROPOSED CHANGES IN AREAS OF TAXATION AND ITEMS OF CURRENT INTEREST TO PROVIDE INFORMATION ABOUT PUBLIC FINANCE AND COMMUNICATE RESULTS OF RESEARCH TO THE GENERAL PUBLIC.

4b (Code ) (Expenses \$ 31,658. including grants of \$ ) (Revenue \$ )

CONFERENCES - CONDUCTED TO PROMOTE DISCUSSION ON AREAS OF CURRENT INTEREST ON ISSUES OF FEDERAL, STATE AND LOCAL TAX POLICY.

4c (Code ) (Expenses \$ including grants of \$ ) (Revenue \$ )

4d Other program services. (Describe in Schedule O)

(Expenses \$ including grants of \$ ) (Revenue \$ )

4e Total program service expenses \$ 1,468,660. (Must equal Part IX, Line 25, column (B).)

**Part IV Checklist of Required Schedules**

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	X	
2 Is the organization required to complete Schedule B, Schedule of Contributors?	X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		X
4 <b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities? <i>If "Yes," complete Schedule C, Part II</i>		X
5 <b>Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations.</b> Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? <i>If "Yes," complete Schedule C, Part III</i>	N/A	
6 Did the organization maintain any donor advised funds or any accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		X
9 Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>		X
10 Did the organization hold assets in term, permanent, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>		X
11 Did the organization report an amount in Part X, lines 10, 12, 13, 15, or 25? <i>If "Yes," complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable</i>	X	
12 Did the organization receive an audited financial statement for the year for which it is completing this return that was prepared in accordance with GAAP? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII</i>	X	
13 Is the organization a school as described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		X
14a Did the organization maintain an office, employees, or agents outside of the U S ?		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the U S ? <i>If "Yes," complete Schedule F, Part I</i>		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? <i>If "Yes," complete Schedule F, Part II</i>		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? <i>If "Yes," complete Schedule F, Part III</i>		X
17 Did the organization report more than \$15,000 on Part IX, column (A), line 11e? <i>If "Yes," complete Schedule G, Part I</i>		X
18 Did the organization report more than \$15,000 total on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>	X	
19 Did the organization report more than \$15,000 on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		X
20 Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H</i>		X
21 Did the organization report more than \$5,000 on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>		X
22 Did the organization report more than \$5,000 on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>		X
23 Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5? <i>If "Yes," complete Schedule J</i>	X	
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer questions 24b-24d and complete Schedule K. If "No", go to question 25</i>		X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25a <b>Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>		X
b Did the organization become aware that it had engaged in an excess benefit transaction with a disqualified person from a prior year? <i>If "Yes," complete Schedule L, Part I</i>		X
26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>		X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, or substantial contributor, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i>		X

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**Part IV Checklist of Required Schedules** *(continued)*

		Yes	No
<b>28</b>	During the tax year, did any person who is a current or former officer, director, trustee, or key employee:		
<b>a</b>	Have a direct business relationship with the organization (other than as an officer, director, trustee, or employee), or an indirect business relationship through ownership of more than 35% in another entity (individually or collectively with other person(s) listed in Part VII, Section A)? <i>If "Yes," complete Schedule L, Part IV</i>		<b>X</b>
<b>b</b>	Have a family member who had a direct or indirect business relationship with the organization? <i>If "Yes," complete Schedule L, Part IV</i>		<b>X</b>
<b>c</b>	Serve as an officer, director, trustee, key employee, partner, or member of an entity (or a shareholder of a professional corporation) doing business with the organization? <i>If "Yes," complete Schedule L, Part IV</i>		<b>X</b>
<b>29</b>	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>		<b>X</b>
<b>30</b>	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>		<b>X</b>
<b>31</b>	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		<b>X</b>
<b>32</b>	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>		<b>X</b>
<b>33</b>	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>		<b>X</b>
<b>34</b>	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>		<b>X</b>
<b>35</b>	Is any related organization a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>		<b>X</b>
<b>36</b>	<b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>		<b>X</b>
<b>37</b>	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>		<b>X</b>

Form **990** (2008)

**Part V** Statements Regarding Other IRS Filings and Tax Compliance

		Yes	No
<b>1a</b>	Enter the number reported in Box 3 of Form 1096, Annual Summary and Transmittal of U.S. Information Returns. Enter -0- if not applicable		
	<b>1a</b> 13		
<b>b</b>	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable		
	<b>1b</b> 0		
<b>c</b>	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	X	
<b>2a</b>	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return		
	<b>2a</b> 19		
<b>b</b>	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return. (see instructions)	X	
<b>3a</b>	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?		X
<b>b</b>	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O		
<b>4a</b>	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		X
<b>b</b>	If "Yes," enter the name of the foreign country: _____ See the instructions for exceptions and filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts.		
<b>5a</b>	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		X
<b>b</b>	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
<b>c</b>	If "Yes," to question 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?		
<b>6a</b>	Did the organization solicit any contributions that were not tax deductible?		X
<b>b</b>	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
<b>7</b>	<b>Organizations that may receive deductible contributions under section 170(c).</b>		
<b>a</b>	Did the organization provide goods or services in exchange for any quid pro quo contribution of more than \$75?	X	
<b>b</b>	If "Yes," did the organization notify the donor of the value of the goods or services provided?	X	
<b>c</b>	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		X
<b>d</b>	If "Yes," indicate the number of Forms 8282 filed during the year		
	<b>7d</b>		
<b>e</b>	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		X
<b>f</b>	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		X
<b>g</b>	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?		X
<b>h</b>	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?		X
<b>8</b>	<b>Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		
	N/A		
<b>9</b>	<b>Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds.</b>		
<b>a</b>	Did the organization make any taxable distributions under section 4966?		
	N/A		
<b>b</b>	Did the organization make a distribution to a donor, donor advisor, or related person?		
<b>10</b>	<b>Section 501(c)(7) organizations.</b> Enter: N/A		
<b>a</b>	Initiation fees and capital contributions included on Part VIII, line 12		
	<b>10a</b>		
<b>b</b>	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities		
	<b>10b</b>		
<b>11</b>	<b>Section 501(c)(12) organizations.</b> Enter: N/A		
<b>a</b>	Gross income from members or shareholders		
	<b>11a</b>		
<b>b</b>	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)		
	<b>11b</b>		
<b>12a</b>	<b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?		
<b>b</b>	If "Yes," enter the amount of tax-exempt interest received or accrued during the year N/A		
	<b>12b</b>		

**Part VI Governance, Management, and Disclosure** (Sections A, B, and C request information about policies not required by the Internal Revenue Code.)

**Section A. Governing Body and Management**

For each "Yes" response to lines 2-7b below, and for a "No" response to lines 8 or 9b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

	Yes	No
<b>1a</b> Enter the number of voting members of the governing body		
<b>b</b> Enter the number of voting members that are independent		
<b>2</b> Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		X
<b>3</b> Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		X
<b>4</b> Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?		X
<b>5</b> Did the organization become aware during the year of a material diversion of the organization's assets?		X
<b>6</b> Does the organization have members or stockholders?		X
<b>7a</b> Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	X	
<b>b</b> Are any decisions of the governing body subject to approval by members, stockholders, or other persons?		X
<b>8</b> Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
<b>a</b> The governing body?	X	
<b>b</b> Each committee with authority to act on behalf of the governing body?	X	
<b>9a</b> Does the organization have local chapters, branches, or affiliates?		X
<b>b</b> If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?		
<b>10</b> Was a copy of the Form 990 provided to the organization's governing body before it was filed? All organizations must describe in Schedule O the process, if any, the organization uses to review the Form 990		X
<b>11</b> Is there any officer, director or trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		X

**Section B. Policies**

	Yes	No
<b>12a</b> Does the organization have a written conflict of interest policy? If "No," go to line 13	X	
<b>b</b> Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
<b>c</b> Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	X	
<b>13</b> Does the organization have a written whistleblower policy?		X
<b>14</b> Does the organization have a written document retention and destruction policy?	X	
<b>15</b> Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision:		
<b>a</b> The organization's CEO, Executive Director, or top management official?	X	
<b>b</b> Other officers or key employees of the organization? Describe the process in Schedule O. (see instructions)		X
<b>16a</b> Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		X
<b>b</b> If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?		

**Section C. Disclosure**

- 17** List the states with which a copy of this Form 990 is required to be filed ► SEE STATEMENT 1
- 18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply  
 Own website     Another's website     Upon request
- 19** Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.
- 20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization ►  
THE ORGANIZATION - 202-464-6200  
529 14TH STREET NW, NO. 420, WASHINGTON, DC 20045

**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

1a Complete this table for all persons required to be listed Use Schedule J-2 if additional space is needed.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees. Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors, institutional trustees, officers, key employees, highest compensated employees, and former such persons.

Check this box if the organization did not compensate any officer, director, trustee, or key employee.

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
WAYNE GABLE CHAIRMAN	1.00	X					0.	0.	0.	
JAMES W. LINTOTT TREASURER	1.00	X					0.	0.	0.	
HONORABLE BILL ARCHER DIRECTOR	1.00	X					0.	0.	0.	
HONORABLE R. GLENN HUBBA DIRECTOR	1.00	X					0.	0.	0.	
DAVID P. LEWIS DIRECTOR	1.00	X					0.	0.	0.	
SCOTT HODGE PRESIDENT & SECRETARY	50.00			X			144,889.	0.	11,565.	
ROBERT CARROLL VICE PRESIDENT	40.00			X			136,610.	0.	11,507.	
PATRICK FLEENOR SENIOR ECONOMIST	40.00				X		89,166.	0.	13,806.	



Part VIII Statement of Revenue		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
Contributions, gifts, grants and other similar amounts	1 a Federated campaigns	1a				
	b Membership dues	1b				
	c Fundraising events	1c 118,555.				
	d Related organizations	1d				
	e Government grants (contributions)	1e				
	f All other contributions, gifts, grants, and similar amounts not included above	1f 2334447.				
	g Noncash contributions included in lines 1a-1f \$					
	h Total. Add lines 1a-1f		2,453,002.			
	Program Service Revenue	2 a PUBLICATION AND SALES	Business Code	2,707.	2,707.	
b						
c						
d						
e						
f All other program service revenue						
g Total. Add lines 2a-2f			2,707.			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		16,952.		16,952.	
	4 Income from investment of tax-exempt bond proceeds					
	5 Royalties					
	6 a Gross Rents	(i) Real				
		(ii) Personal				
		b Less: rental expenses				
		c Rental income or (loss)				
	d Net rental income or (loss)					
	7 a Gross amount from sales of assets other than inventory	(i) Securities				
		(ii) Other				
		b Less: cost or other basis and sales expenses				
		c Gain or (loss)				
	d Net gain or (loss)					
	8 a Gross income from fundraising events (not including \$ 118,555. of contributions reported on line 1c) See Part IV, line 18	a 30,000.				
		b Less: direct expenses	b 63,275.			
c Net income or (loss) from fundraising events			-33,275.	-33,275.		
9 a Gross income from gaming activities See Part IV, line 19	a					
	b Less: direct expenses	b				
	c Net income or (loss) from gaming activities					
10 a Gross sales of inventory, less returns and allowances	a					
	b Less: cost of goods sold	b				
	c Net income or (loss) from sales of inventory					
Miscellaneous Revenue		Business Code				
11 a	a					
	b					
	c					
	d All other revenue					
	e Total. Add lines 11a-11d					
12 Total Revenue. Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e			2,439,386.	-30,568.	16,952.	

**Part IX Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.  
 All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21				
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	304,572.	257,636.	23,468.	23,468.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	702,666.	473,638.	107,839.	121,189.
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	10,489.	7,441.	1,422.	1,626.
9 Other employee benefits	53,461.	35,883.	8,301.	9,277.
10 Payroll taxes	68,170.	49,256.	8,611.	10,303.
11 Fees for services (non-employees):				
a Management				
b Legal	9,507.		9,507.	
c Accounting	16,727.		16,727.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17	10,162.			10,162.
f Investment management fees				
g Other	172,202.	102,886.	29,666.	39,650.
12 Advertising and promotion	192,577.	146,576.	4,620.	41,381.
13 Office expenses	509,538.	117,873.	84,489.	307,176.
14 Information technology				
15 Royalties				
16 Occupancy	143,712.		143,712.	
17 Travel	58,869.	47,784.	1,410.	9,675.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	13,713.	10,300.	2,196.	1,217.
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	12,888.		12,888.	
23 Insurance	7,468.		7,468.	
24 Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.)				
a <b>ALLOCATED G&amp;A COSTS</b>	0.	219,198.	-263,218.	44,020.
b _____				
c _____				
d _____				
e _____				
f All other expenses _____	6,585.	189.	2,761.	3,635.
<b>25 Total functional expenses.</b> Add lines 1 through 24f	<b>2,293,306.</b>	<b>1,468,660.</b>	<b>201,867.</b>	<b>622,779.</b>
<b>26 Joint Costs.</b> Check here <input type="checkbox"/> if following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

**Part X Balance Sheet**

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing		1	77,280.
	2 Savings and temporary cash investments	205,146.	2	368,594.
	3 Pledges and grants receivable, net	125,000.	3	64,319.
	4 Accounts receivable, net	15,000.	4	10,000.
	5 Receivables from current and former officers, directors, trustees, key employees, or other related parties Complete Part II of Schedule L		5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use		8	
	9 Prepaid expenses and deferred charges	58,436.	9	40,501.
	10a Land, buildings, and equipment cost basis	10a 115,567.		
	b Less: accumulated depreciation. Complete Part VI of Schedule D	10b 91,389.	10c 35,956.	24,178.
	11 Investments - publicly traded securities	725,986.	11	632,812.
	12 Investments - other securities. See Part IV, line 11	24,492.	12	55,397.
	13 Investments - program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11		15	
16 <b>Total assets.</b> Add lines 1 through 15 (must equal line 34)	1,190,016.	16	1,273,081.	
Liabilities	17 Accounts payable and accrued expenses	92,710.	17	110,924.
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities		20	
	21 Escrow account liability. Complete Part IV of Schedule D		21	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable		24	
	25 Other liabilities. Complete Part X of Schedule D	18,257.	25	14,081.
	26 <b>Total liabilities.</b> Add lines 17 through 25	110,967.	26	125,005.
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	851,717.	27	881,091.
	28 Temporarily restricted net assets	227,332.	28	266,985.
	29 Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
33 <b>Total net assets or fund balances</b>	1,079,049.	33	1,148,076.	
34 <b>Total liabilities and net assets/fund balances</b>	1,190,016.	34	1,273,081.	

**Part XI Financial Statements and Reporting**

- 1 Accounting method used to prepare the Form 990  Cash  Accrual  Other
- 2a Were the organization's financial statements compiled or reviewed by an independent accountant?
- b Were the organization's financial statements audited by an independent accountant?
- c If "Yes" to lines 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?
- 3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?
- b If "Yes," did the organization undergo the required audit or audits?

	Yes	No
2a		X
2b	X	
2c	X	
3a		X
3b		



**Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**

(Complete only if you checked the box on line 5, 7, or 8 of Part I)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")	1715588.	1873941.	1957213.	2123346.	2364447.	10034535.
<b>2</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
<b>3</b> The value of services or facilities furnished by a governmental unit to the organization without charge						
<b>4 Total.</b> Add lines 1 - 3	1715588.	1873941.	1957213.	2123346.	2364447.	10034535.
<b>5</b> The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						1717572.
<b>6 Public Support.</b> Subtract line 5 from line 4						8316963.

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
<b>7</b> Amounts from line 4	1715588.	1873941.	1957213.	2123346.	2364447.	10034535.
<b>8</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	1,940.	15,396.	35,014.	35,490.	16,952.	104,792.
<b>9</b> Net income from unrelated business activities, whether or not the business is regularly carried on						
<b>10</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)	9,137.	5,930.	6,619.			21,686.
<b>11 Total support.</b> Add lines 7 through 10						10161013.
<b>12</b> Gross receipts from related activities, etc. (see instructions)					12	187,049.
<b>13 First five years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here <input type="checkbox"/>						

**Section C. Computation of Public Support Percentage**

<b>14</b> Public support percentage for 2008 (line 6, column (f) divided by line 11, column (f))	14	81.85 %
<b>15</b> Public support percentage from 2007 Schedule A, Part IV-A, line 26f	15	89.41 %
<b>16a 33 1/3% support test - 2008.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization <input checked="" type="checkbox"/>		
<b>b 33 1/3% support test - 2007.</b> If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization <input type="checkbox"/>		
<b>17a 10% -facts-and-circumstances test - 2008.</b> If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization <input type="checkbox"/>		
<b>b 10% -facts-and-circumstances test - 2007.</b> If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization <input type="checkbox"/>		
<b>18 Private foundation.</b> If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions <input type="checkbox"/>		

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets** (continued)

3 Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply):

- a  Public exhibition
- b  Scholarly research
- c  Preservation for future generations
- d  Loan or exchange programs
- e  Other \_\_\_\_\_

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?  Yes  No

**Part IV Trust, Escrow and Custodial Arrangements.** Complete if organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?  Yes  No

b If "Yes," explain the arrangement in Part XIV and complete the following table:

- c Beginning balance
- d Additions during the year
- e Distributions during the year
- f Ending balance

	Amount
1c	
1d	
1e	
1f	

2a Did the organization include an amount on Form 990, Part X, line 21?  Yes  No

b If "Yes," explain the arrangement in Part XIV.

**Part V Endowment Funds.** Complete if organization answered "Yes" to Form 990, Part IV, line 10

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Investment earnings or losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the year end balance held as:

- a Board designated or quasi-endowment ▶ \_\_\_\_\_%
- b Permanent endowment ▶ \_\_\_\_\_%
- c Term endowment ▶ \_\_\_\_\_%

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

- (i) unrelated organizations
- (ii) related organizations

	Yes	No
3a(i)		
3a(ii)		
3b		

b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

4 Describe in Part XIV the intended uses of the organization's endowment funds.

**Part VI Investments - Land, Buildings, and Equipment.** See Form 990, Part X, line 10

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements				
d Equipment		91,870.	80,903.	10,967.
e Other		23,697.	10,486.	13,211.
<b>Total.</b> Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c))				24,178.



**Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements**

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	2,439,386.
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	2,293,306.
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	146,080.
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	-77,053.
9	Total adjustments (net). Add lines 4-8	9	-77,053.
10	Excess or (deficit) for the year per financial statements. Combine lines 3 and 9	10	69,027.

**Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return**

1	Total revenue, gains, and other support per audited financial statements	1	2,362,333.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains on investments	2a	-77,053.
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	-77,053.
3	Subtract line 2e from line 1	3	2,439,386.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	0.
5	Total revenue. Add lines 3 and 4c. (This should equal Form 990, Part I, line 12.)	5	2,439,386.

**Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return**

1	Total expenses and losses per audited financial statements	1	2,293,306.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Losses reported on Form 990, Part IX, line 25	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	0.
3	Subtract line 2e from line 1	3	2,293,306.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	0.
5	Total expenses. Add lines 3 and 4c. (This should equal Form 990, Part I, line 18.)	5	2,293,306.

**Part XIV Supplemental Information**

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4; Part X; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b.

**PART X: NOT APPLICABLE, NO TAX POSITIONS TAKEN**

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**Part II Fundraising Events.** Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 on Form 990-EZ, line 6a. List events with gross receipts greater than \$5,000.

		(a) Event #1	(b) Event #2	(c) Other Events	(d) Total Events
		ANNUAL DINNER (event type)	(event type)	NONE (total number)	(Add col. (a) through col. (c))
Revenue	1	Gross receipts	148,555.		148,555.
	2	Less: Charitable contributions	118,555.		118,555.
	3	Gross revenue (line 1 minus line 2)	30,000.		30,000.
Direct Expenses	4	Cash prizes			
	5	Non-cash prizes			
	6	Rent/facility costs			
	7	Other direct expenses	63,275.		63,275.
	8	Direct expense summary. Add lines 4 through 7 in column (d)			63,275.
	9	Net income summary. Combine lines 3 and 8 in column (d)			-33,275.

**Part III Gaming.** Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (Add col (a) through col. (c))
		1	Gross revenue		
Direct Expenses	2	Cash prizes			
	3	Non-cash prizes			
	4	Rent/facility costs			
	5	Other direct expenses			
	6	Volunteer labor	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No
7	Direct expense summary. Add lines 2 through 5 in column (d)				
8	Net gaming income summary. Combine lines 1 and 7 in column (d)				

9 Enter the state(s) in which the organization operates gaming activities: \_\_\_\_\_

a Is the organization licensed to operate gaming activities in each of these states?

b If "No," Explain:

\_\_\_\_\_

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year?

b If "Yes," Explain.

\_\_\_\_\_

11 Does the organization operate gaming activities with nonmembers?

12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming?

	Yes	No
9a		X
10a		X
11		X
12		X

**SCHEDULE J  
(Form 990)**

**Compensation Information**

OMB No 1545-0047

**2008**

Open to Public Inspection

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Attach to Form 990. To be completed by organizations that answered "Yes" to Form 990, Part IV, line 23.

Department of the Treasury  
Internal Revenue Service

Name of the organization

**TAX FOUNDATION**

Employer identification number

**52-1703065**

**Part I Questions Regarding Compensation**

**1a** Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- |  |  |
|--|--|
| <input type="checkbox"/> First-class or charter travel             | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions                     | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees   |
| <input type="checkbox"/> Discretionary spending account            | <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) |

**b** If line 1a is checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

**2** Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?

**3** Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply.

- |   |   |
|---|---|
| <input type="checkbox"/> Compensation committee                     | <input type="checkbox"/> Written employment contract                                |
| <input type="checkbox"/> Independent compensation consultant        | <input type="checkbox"/> Compensation survey or study                               |
| <input checked="" type="checkbox"/> Form 990 of other organizations | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

**4** During the year, did any person listed in Form 990, Part VII, Section A, line 1a:

- a** Receive a severance payment or change of control payment?  
**b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?  
**c** Participate in, or receive payment from, an equity-based compensation arrangement?

If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III

**Only 501(c)(3) and 501(c)(4) organizations must complete lines 5-8.**

**5** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

- a** The organization?  
**b** Any related organization?

If "Yes," to line 5a or 5b, describe in Part III.

**6** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

- a** The organization?  
**b** Any related organization?

If "Yes" to line 6a or 6b, describe in Part III

**7** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III

**8** Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs. section 53.4958-4(a)(3)? If "Yes," describe in Part III

	Yes	No
<b>1b</b>		
<b>2</b>	<b>X</b>	
<b>4a</b>		<b>X</b>
<b>4b</b>		<b>X</b>
<b>4c</b>		<b>X</b>
<b>5a</b>		<b>X</b>
<b>5b</b>		<b>X</b>
<b>6a</b>		<b>X</b>
<b>6b</b>		<b>X</b>
<b>7</b>		<b>X</b>
<b>8</b>		<b>X</b>

LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2008

**Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use Schedule J-1 if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a.

(A) Name	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
SCOTT HODGE	(i)	144,889.	0.	0.	11,565.	156,454.	0.
	(ii)	0.	0.	0.	0.	0.	0.
	(i)						
	(ii)						
	(i)						
	(ii)						
	(i)						
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	(ii)						
	(i)						
	(ii)						

**SCHEDULE O**  
**(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990**

▶ Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.

OMB No 1545-0047

**2008**

Open to Public  
Inspection

Name of the organization

**TAX FOUNDATION**

Employer identification number  
**52-1703065**

**FORM 990, PART I, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:**

**EDUCATE POLICY MAKERS AND THE PUBLIC.**

**FORM 990, PART VI, SECTION A, LINE 7A: THE BOARD OF DIRECTORS OF THE TAX FOUNDATION IS ELECTED BY VOTE OF THE EXISTING GOVERNING BOARD.**

**FORM 990, PART VI, SECTION A, LINE 10: THE FEDERAL FORM 990 IS REVIEWED BY THE ACCOUNTING PERSONNEL OF THE TAX FOUNDATION AND THE PRESIDENT OF THE TAX FOUNDATION PRIOR TO BEING SIGNED. THE TAX FOUNDATION UTILIZES A THIRD PARTY CPA FIRM TO PREPARE THE RETURN.**

**FORM 990, PART VI, SECTION B, LINE 12C: AS A GENERAL POLICY MATTER THE TAX FOUNDATION DOES NOT PERMIT MEMBERS OF THE BOARD OF DIRECTORS TO ENTER INTO FINANCIAL ARRANGEMENTS, PROVIDE SERVICES, OR OTHERWISE BE COMPENSATED IN ANY MANNER, INCLUDING ANY COMPANY WITH WHICH SUCH BOARD MEMBER MAY BE ASSOCIATED. BECAUSE THERE ARE FIVE MEMBERS OF THE BOARD OF DIRECTORS, THE MONITORING OF COMPLIANCE WITH THESE REQUIREMENTS IS HANDLED INFORMALLY AT REGULARLY SCHEDULED BOARD MEETINGS.**

**FORM 990, PART VI, SECTION B, LINE 15: THE COMPENSATION OF THE PRESIDENT OF THE TAX FOUNDATION IS ESTABLISHED AND APPROVED ANNUALLY BY THE BOARD OF DIRECTORS BASED ON COMPARATIVE MARKET SALARY DATA AND AN ANNUAL EVALUATION OF PERFORMANCE AGAINST ORGANIZATIONAL OBJECTIVES SUCH AS BUDGET PERFORMANCE, ETC.**

**FORM 990, PART VI, SECTION C, LINE 19: THE ORGANIZATION PROVIDES GOVERNING**

LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule O (Form 990) 2008

832211  
12-18-08

**SCHEDULE O**  
**(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990**

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OMB No 1545-0047

**2008**  
Open to Public  
Inspection

Name of the organization

**TAX FOUNDATION**

Employer identification number

**52-1703065**

DOCUMENTS, THE FEDERAL FORM 990 AND APPLICATION FOR EXEMPTION (FEDERAL FORM 1023) TO INTERESTED PARTIES UPON REQUEST. COPIES OF THE AUDITED FINANCIAL STATEMENTS ARE MADE AVAILABLE ON A CASE BY CASE BASIS UPON REQUEST AND THIS HAS GENERALLY BEEN LIMITED IN PAST YEARS TO REQUESTS BY FUNDING ORGANIZATIONS AND STATE CHARITABLE REGISTRATIONS WHICH MAY REQUIRE THIS INFORMATION. WE HAVE NOT BEEN ASKED TO AND CURRENTLY DO NOT HAVE A POLICY OF PROVIDING A COPY OF THE CONFLICT OF INTEREST POLICY. HOWEVER, OUR BOARD OF DIRECTORS WILL BE EVALUATING THIS IN LIGHT OF CHANGES TO THE FORM 990, WHICH IS, IN GENERAL, CONSISTENT WITH OUR DESIRE FOR FINANCIAL AND GOVERNANCE TRANSPARENCY.

2008 DEPRECIATION AND AMORTIZATION REPORT  
FORM 990 PAGE 10

990

Asset No	Description	Date Acquired	Method	Life	Line No	Unadjusted Cost Or Basis	Bus % Excl	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Current Year Deduction
	<b>FURNITURE &amp; FIXTURES</b>											
11	FURNITURE	061305	SL	5.00	16	5,238.			5,238.	2,620.		1,048.
12	FURNITURE	071505	SL	5.00	16	1,450.			1,450.	701.		290.
15	TRADE SHOW PACKAGE	060606	SL	5.00	16	4,034.			4,034.	1,278.		807.
18	ADJUSTMENT	123106	SL	1.00	16							0.
	* 990 PAGE 10 TOTAL					10,722.		0.	10,722.	4,599.	0.	2,145.
	<b>FURNITURE &amp; FIXTURES</b>											
	<b>MACHINERY &amp; EQUIPMENT</b>											
1	TELEPHONE SYSTEM	080198	SL	5.00	16	11,121.			11,121.	11,121.		0.
2	COMPUTER EQUIPMENT	123198	SL	5.00	16	15,908.			15,908.	15,908.		0.
3	COMPUTER NETWORK	123198	SL	5.00	16	5,613.			5,613.	5,613.		0.
4	COMPUTER EQUIPMENT	010199	SL	5.00	16	1,569.			1,569.	1,569.		0.
5	COMPUTER EQUIPMENT	111401	SL	5.00	16	8,000.			8,000.	7,933.		0.
6	X SERIES 235 SERVER	100102	SL	5.00	16	3,849.			3,849.	3,849.		0.
7	HP LJ4200N & 4600	051303	SL	5.00	16	4,994.			4,994.	4,495.		333.
8	IBM COMPUTER EQUIPMENT	060103	SL	5.00	16	7,600.			7,600.	6,841.		633.
9	IBM COMPUTER EQUIPMENT	102204	SL	5.00	16	7,500.			7,500.	5,247.		1,500.
10	COMPUTER EQUIPMENT	011505	SL	3.00	16	2,025.			2,025.	1,969.		0.
13	COMPUTER	071805	SL	3.00	16	3,001.			3,001.	2,417.		584.

\* ITC, Section 179, Salvage, Bonus, Commercial Revitalization Deduction, GO Zone

(D) - Asset disposed

2008 DEPRECIATION AND AMORTIZATION REPORT  
 FORM 990 PAGE 10

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Asset No	Description	Date Acquired	Method	Life	Line No	Unadjusted Cost Or Basis	Bus % Excl	Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Current Year Deduction
14	IBM COMPUTER EQUIPMENT	11/22/05	SL	5.00	16	6,000.			6,000.	2,566.		1,200.
16	COMPUTER EQUIPMENT	07/01/06	SL	5.00	16	1,497.			1,497.	449.		299.
17	MICROSOFT EQUIPMENT	07/19/06	SL	5.00	16	13,193.			13,193.	3,738.		2,639.
	* 990 PAGE 10 TOTAL MACHINERY & EQUIPMENT					91,870.		0.	91,870.	73,715.	0.	7,188.
	MANAGEMENT AND GENERAL											
19	DONOR PERFECT SOFTWARE	07/01/07	SL	5.00	16	12,975.			12,975.	1,297.		2,445.
	* 990 PAGE 10 TOTAL MANAGEMENT AND GENERAL					12,975.		0.	12,975.	1,297.	0.	2,445.
	* GRAND TOTAL 990 PAGE 10 DEPR					115,567.		0.	115,567.	79,611.	0.	11,778.

\* ITC, Section 179, Salvage, Bonus, Commercial Revitalization Deduction, GO Zone

(D) - Asset disposed

FORM 990

LIST OF STATES RECEIVING COPY OF RETURN  
PART VI, LINE 17

STATEMENT 1

STATES

DC, AL, AK, AZ, CA, CO, CT, FL, AR, KS, KY, LA, ME, MD, MA, MI, MN, MS, NH, NJ, NM, NY, NC, OH, OK  
OR, RI, SC, TN, VA, WA, WV, WI, MO

# Application for Extension of Time To File an Exempt Organization Return

▶ 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)
- 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)

A corporation required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete Part I only

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

**Electronic Filing (e-file).** Generally, you can electronically file Form 8868 if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for a corporation required to file Form 990-T). However, you cannot file Form 8868 electronically if (1) you want the additional (not automatic) 3-month extension or (2) you file Forms 990-BL, 6069, or 8870, group returns, or a composite or consolidated Form 990-T. Instead, you must submit the fully completed and signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit [www.irs.gov/efile](http://www.irs.gov/efile) and click on e-file for Charities & Nonprofits.

<b>Type or print</b>	Name of Exempt Organization <b>TAX FOUNDATION</b>	Employer identification number <b>52-1703065</b>
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. <b>529 14TH STREET NW, NO. 420</b>	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions <b>WASHINGTON, DC 20045</b>	

**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 |

**THE ORGANIZATION**

- The books are in the care of ▶ **529 14TH STREET NW, NO. 420 - WASHINGTON, DC 20045**  
Telephone No. ▶ **202-464-6200** FAX No. ▶ \_\_\_\_\_
- 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-months for a corporation required to file Form 990-T) extension of time until **AUGUST 15, 2009**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:  
▶  calendar year **2008** 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

<b>3a</b> 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>3a</b>	\$
<b>b</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.	<b>3b</b>	\$
<b>c</b> <b>Balance Due.</b> 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	<b>3c</b>	\$ <b>N/A</b>

**Caution.** If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

LHA For Privacy Act and Paperwork Reduction Act Notice, see Instructions.