

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

Date: April 24, 2000

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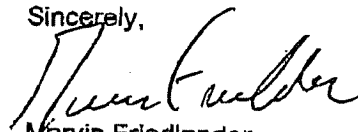
Re: Kamehameha Schools Bishop Estate

Dear Mr. Lewis:

This is in reply to your letter dated April 24, 2000 concerning the Supreme Court's decision in Rice v. Cayetano, 68 U.S.L.W. 4138 (2/23/00). You are particularly concerned about the impact, if any, of this decision on the admission policies of tax-exempt schools.

We agree with your analysis that the Rice decision involves the interpretation and application of the Fifteenth Amendment to the United States Constitution and, therefore, has no precedential effect under the Internal Revenue Code, including the admission policies of tax-exempt schools.

Sincerely,



Marvin Friedlander
Manager, Technical Group 1
Exempt Organizations