

Form **990-T**

Exempt Organization Business Income Tax Return
(and proxy tax under section 6033(e))

OMB No. 1545-0687

2007

Department of the Treasury
Internal Revenue Service (77)

For calendar year 2007 or other tax year beginning 10/1/2007, and
ending 9/30/2008 See separate instructions.

Open to Public Inspection
for 501(c)(3) Organizations Only

A <input type="checkbox"/> Check box if address changed B Exempt under section <input checked="" type="checkbox"/> 501 (c) (3) <input type="checkbox"/> 408(e) <input type="checkbox"/> 220(e) <input type="checkbox"/> 408A <input type="checkbox"/> 530(a) <input type="checkbox"/> 529(a)	Print or Type	Name of organization (<input type="checkbox"/> Check box if name changed and see instructions) National Public Radio, Inc.	D Employer identification number (Employees' trust, see instructions for Block D on page 9) 52-0907625	
		Number, street, and room or suite no. If a P.O. box, see page 9 of instructions 635 Massachusetts Ave, NW		E Unrelated business activity codes (See instructions for Block E on page 9) 531190 541800
		City or town, state, and ZIP code Washington DC 20001		

C Book value of all assets at end of year **279,618,345**

F Group exemption number (See instructions for Block F on page 9.)

G Check organization type 501(c) corporation 501(c) trust 401(a) trust Other trust

H Describe the organization's primary unrelated business activity. **Unqualified Sponsorships**

I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? Yes No
If "Yes," enter the name and identifying number of the parent corporation.

J The books are in care of **National Public Radio, Inc.** Telephone number **202-513-2000**

Part I Unrelated Trade or Business Income

	(A) Income	(B) Expenses	(C) Net
1 a Gross receipts or sales <u>403,837</u>			
b Less returns and allowances			
c Balance	1c 403,837		
2 Cost of goods sold (Schedule A, line 7)	2 202,125		
3 Gross profit. Subtract line 2 from line 1c	3 201,712		201,712
4 a Capital gain net income (attach Schedule D)	4a		
b Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)	4b		
c Capital loss deduction for trusts	4c		
5 Income (loss) from partnerships and S corporations (attach statement)	5 79,048		79,048
6 Rent income (Schedule C)	6		
7 Unrelated debt-financed income (Schedule E)	7 266,220	198,051	68,169
8 Interest, annuities, royalties, and rents from controlled organizations (Schedule F)	8		
9 Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)	9		
10 Exploited exempt activity income (Schedule I)	10 6,908,433	2,806,506	4,101,927
11 Advertising income (Schedule J)	11		
12 Other income (See page 11 of the instructions; attach schedule)	12 2,589,338		2,589,338
13 Total. Combine lines 3 through 12	13 10,044,751	3,004,557	7,040,194

Part II Deductions Not Taken Elsewhere (See page 12 of the instructions for limitations on deductions.)
(Except for contributions, deductions must be directly connected with the unrelated business income.)

14 Compensation of officers, directors, and trustees (Schedule K)	14 72,613
15 Salaries and wages	15 1,806,243
16 Repairs and maintenance	16 112,264
17 Bad debts	17
18 Interest (attach schedule)	18
19 Taxes and licenses	19 394
20 Charitable contributions (See page 14 of the instructions for limitation rules.)	20
21 Depreciation (attach Form 4562) See Statement 7	21 103,550
22 Less depreciation claimed on Schedule A and elsewhere on return	22a
22b	22b 103,550
23 Depletion	23
24 Contributions to deferred compensation plans	24
25 Employee benefit programs	25 482,625
26 Excess exempt expenses (Schedule I)	26 4,101,927
27 Excess readership costs (Schedule J)	27
28 Other deductions (attach schedule) See Statement 2	28 1,411,055
29 Total deductions. Add lines 14 through 28	29 8,090,671
30 Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13	30 -1,050,477
31 Net operating loss deduction (limited to the amount on line 30) See Statement 3	31 11,334,010
32 Unrelated business taxable income before specific deduction. Subtract line 31 from line 30	32 -12,384,487
33 Specific deduction (Generally \$1,000, but see line 33 instructions for exceptions.)	33 1,000
34 Unrelated business taxable income. Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32	34 -12,384,487

Public
Inspection Copy

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).
- 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 and click on *e-file for Charities & Nonprofits*.

Type or print	Name of Exempt Organization National Public Radio, Inc.	Employer identification number 52 : 0907625
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. 625 Massachusetts Ave, NW	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. Washington, DC 20001	

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

- | | | |
|--------------------------------------|---|------------------------------------|
| <input type="checkbox"/> Form 990 | <input checked="" 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 books are in the care of ▶ National Public Radio, Inc.

Telephone No. ▶ (202) 317-3000 FAX No. ▶ (202) 517-3325

- 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, 20 09, to file the exempt organization return for the organization named above. The extension is for the organization's return for:

▶ calendar year 20 _____ or

▶ tax year beginning October 1, 20 07, and ending September 30, 20 08.

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.	3a	S	
3b 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.	3b	S	
3c 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.	3c	S	

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.

Part III Tax Computation

Table with 3 columns: Description, Amount, and Total. Rows include Organizations Taxable as Corporations (35), Trusts Taxable at Trust Rates (36), Proxy tax (37), Alternative minimum tax (38), and Total (39).

Part IV Tax and Payments

Table with 3 columns: Description, Amount, and Total. Rows include Foreign tax credit (40a-d), Total credits (40e), Other taxes (42), Total tax (43), Payments (44a-f), Total payments (45), Estimated tax penalty (46), Tax due (47), Overpayment (48), and Refunded (49).

Part V Statements Regarding Certain Activities and Other Information (see instructions on page 18)

Table with 3 columns: Question, Yes, No. Questions 1-3 regarding foreign interest, foreign trusts, and tax-exempt interest.

Schedule A—Cost of Goods Sold. Enter method of inventory valuation

Table with 3 columns: Description, Amount, and Total. Rows include Inventory at beginning of year (1), Purchases (2), Cost of labor (3), Additional section 263A costs (4a-b), Inventory at end of year (6), Cost of goods sold (7), and Do the rules of section 263A apply (8).

Sign Here: 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. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge. Signature of officer: [Signature] Date: 12/11/2009 Title: VICE PRESIDENT FOR FINANCE AND ADMINISTRATION

Paid Preparer's Use Only: Preparer's signature: [Signature] Date: 7-31-09 Check if self-employed: [] Preparer's SSN or PTIN: P00485827 Firm's name (or yours if self-employed): Grant Thornton LLP address, and ZIP code: 2010 Corporate Ridge, Suite 400 McLean, VA 22102 EIN: 36-6055558 Phone no.: 703-847-7500

Schedule C—Rent Income (From Real Property and Personal Property Leased With Real Property)

(see instructions on page 20)

1 Description of property		2 Rent received or accrued		3 Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)
(1)	(2)	(a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	(b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)	
(1)				
(2)				
(3)				
(4)				
Total		0	0	
Total income. Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) ▶				Total deductions. Enter here and on page 1, Part I, line 6, column (B) ▶ 0

Schedule E—Unrelated Debt-Financed Income (see instructions on page 20)

1 Description of debt-financed property	2 Gross income from or allocable to debt-financed property	3 Deductions directly connected with or allocable to debt-financed property		
		(a) Straight line depreciation (attach schedule) STMT 4	(b) Other deductions (attach schedule) STMT 6	
(1) NPR West Coast Production Facility	350,289	41,710	218,884	
(2)				
(3)				
(4)				
4 Amount of average acquisition debt on or allocable to debt-financed property (attach schedule) See Stmt 4	5 Average adjusted basis of or allocable to debt-financed property (attach schedule) See Stmt 4	6 Column 4 divided by column 5	7 Gross income reportable (column 2 x column 6)	8 Allocable deductions (column 6 x total of columns 3(a) and 3(b))
(1) 2,034,472	2,660,176	76%	266,220	198,051
(2)		%	0	0
(3)		%	0	0
(4)		%	0	0
Totals ▶			Enter here and on page 1, Part I, line 7, column (A). 266,220	Enter here and on page 1, Part I, line 7, column (B). 198,051
Total dividends-received deductions included in column 8 ▶				

Schedule F—Interest, Annuities, Royalties, and Rents From Controlled Organizations (see instructions on page 21)

1 Name of Controlled Organization	2 Employer Identification Number	Exempt Controlled Organizations			
		3 Net unrelated income (loss) (see instructions)	4 Total of specified payments made	5 Part of column 4 that is included in the controlling organization's gross income	6 Deductions directly connected with income in column 5
(1)					
(2)					
(3)					
(4)					
Nonexempt Controlled Organizations					
7 Taxable Income	8 Net unrelated income (loss) (see instructions)	9 Total of specified payments made	10 Part of column 9 that is included in the controlling organization's gross income	11 Deductions directly connected with income in column 10	
(1)					
(2)					
(3)					
(4)					
Totals ▶			Add columns 5 and 10. Enter here and on page 1, Part I, line 8, column (A). 0	Add columns 6 and 11. Enter here and on page 1, Part I, line 8, column (B). 0	

Schedule G—Investment Income of a Section 501(c)(7), (9), or (17) Organization

(see instructions on page 22)

1 Description of income	2 Amount of income	3 Deductions directly connected (attach schedule)	4 Set-asides (attach schedule)	5 Total deductions and set-asides (col. 3 plus col. 4)
(1)				0
(2)				0
(3)				0
(4)				0
Totals	Enter here and on page 1, Part I, line 9, column (A) 0			Enter here and on page 1, Part I, line 9, column (B) 0

Schedule I—Exploited Exempt Activity Income, Other Than Advertising Income

(see instructions on page 22)

1 Description of exploited activity	2 Gross unrelated business income from trade or business	3 Expenses directly connected with production of unrelated business income	4 Net income (loss) from unrelated trade or business (column 2 minus column 3). If a gain, compute cols. 5 through 7	5 Gross income from activity that is not unrelated business income	6 Expenses attributable to column 5	7 Excess exempt expenses (column 6 minus column 5, but not more than column 4)
(1) Unqualified Sponsorship	6,908,433	2,806,506	4,101,927	475,228	11,134,266	4,101,927
(2)			0			0
(3)			0			0
(4)			0			0
Totals	Enter here and on page 1, Part I, line 10, col. (A) 6,908,433	Enter here and on page 1, Part I, line 10, col. (B) 2,806,506				Enter here and on page 1, Part II, line 26 4,101,927

Schedule J—Advertising Income (see instructions on page 22)

Part I Income From Periodicals Reported on a Consolidated Basis

1 Name of periodical	2 Gross advertising income	3 Direct advertising costs	4 Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7	5 Circulation income	6 Readership costs	7 Excess readership costs (column 6 minus column 5, but not more than column 4)
(1)						
(2)						
(3)						
(4)						
Totals (carry to Part II, line (5))	0	0	0	0	0	0

Part II Income From Periodicals Reported on a Separate Basis (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

(1)			0			0
(2)			0			0
(3)			0			0
(4)			0			0
(5) Totals from Part I	0	0				0
Totals, Part II (lines 1-5)	Enter here and on page 1, Part I, line 11, col. (A) 0	Enter here and on page 1, Part I, line 11, col. (B) 0				Enter here and on page 1, Part II, line 27 0

Schedule K—Compensation of Officers, Directors, and Trustees (see instructions on page 23)

1 Name	2 Title	3 Percent of time devoted to business	4 Compensation attributable to unrelated business
Peter Loewenstein	Vice President	43.00%	72,613
		%	
		%	
		%	
Total	Enter here and on page 1, Part II, line 14		72,613

National Public Radio, Inc. -- EIN 52-0907625
Form 990-T, FY 2008 (TY 2007)
Part 1, Line 12

Statement 1, Part I, Line 12, Other Income

Commercial use of the excess capacity of the public radio satellite interconnection system	2,422,329
Studio rental services	1,869
Unqualified Sponsorship	165,140
Total Other Income	2,589,338

National Public Radio, Inc. - EIN 52-0907625
Form 990T, FY 2008 (TY 2007)
Page 1, Part II, Line 28, Other Deductions

Statement 2

Part II, Line 28, Other Deductions*

Overhead	493,040
Occupancy	214,756
Professional Services	165,617
Promotions	122,255
Insurance	109,364
Lease	80,908
Travel	68,319
Postage and freight	71,634
Supplies	22,787
Program Distribution	26,515
Equipment	9,715
Employee Development	7,484
Printing	8,119
Communications	6,302
Deductible Meals	2,589
Miscellaneous	1,652
Total Other Deductions	<u><u>1,411,055</u></u>

* Amounts listed are those expenses incurred in unrelated business (commercial) activities.

National Public Radio, Inc. -- EIN 52-0907625

Form 990-T, FY 2008(TY07)

Page 1, Part II, Line 31

Net Operating Loss Deduction

Statement 3

Year Ended	NOL Amount	NOL Utilized	NOL Carryforward
09/30/94	320,635	-	320,635
09/30/95	324,624	-	645,259
09/30/96	388,320	-	1,033,579
09/30/97	-	-	1,033,579
09/30/98	590,045	-	1,623,624
09/30/99	481,708	-	2,105,332
09/30/00	562,220	-	2,667,552
09/30/01	15,110	-	2,682,662
09/30/02	601,984	-	3,284,646
09/30/03	1,113,126	-	4,397,772
09/30/04	1,150,153	-	5,547,925
09/30/05	1,313,092	-	6,861,017
09/30/06	2,557,159	-	9,418,176
09/30/07	1,915,834	-	11,334,010

National Public Radio, Inc. – EIN 52-0907625
Form 990-T, FY 2008 (TY 2007)
Schedule E, Columns 3-5
Unrelated Debt-Financed Income

Statement 4

Column 3a: Straight line depreciation (Half-month convention)

Original Cost	1,626,701
Depreciable Life	39
Depreciation	<u>41,710</u>

Column 4: Average Acquisition Debt

Outstanding Principle at:

October 2007	2,069,472
November 2007	2,069,472
December 2007	2,069,472
January 2008	2,069,472
February 2008	2,069,472
March 2008	2,069,472
April 2008	1,999,472
May 2008	1,999,472
June 2008	1,999,472
July 2008	1,999,472
August 2008	1,999,472
September 2008	1,999,472
Average:	<u>2,034,472</u>

Column 5: Average Adjusted Basis

Adjusted Basis at:

October 1, 2007	2,681,031
September 30, 2008	2,639,321
Average	<u>2,660,176</u>

National Public Radio, Inc. -- EIN 52-0907625
Form 990-T, FY 2008 (TY07)
Page 3, Schedule E, Column (b), Other Deductions

Statement 6: Rental Expenses

Common Areas Expenses	34,109.89
Interest	147,154.33
Real Estate Taxes	37,620.00
Total Other Deductions	<u><u>218,884.22</u></u>

National Public Radio, Inc – EIN 52-0907625
Form 990-T, FY 2008 (TY 2007)
Part II, Line 21

Statement 7: Part II, Line 21, Depreciation & Form 4562, line 16

<u>Asset Category</u>	<u>Depreciation</u>
Building	3,312
Building Improvements	445
Computers	25,944
Technical Equipment	203,233
Vehicles	7,881
Total Depreciation	<u>240,815</u>
Commercial Usage Allocation percentage	43%
Depreciation Allocated to Unrelated Business Activities	<u>103,550</u>

Depreciation and Amortization

(Including Information on Listed Property)

Department of the Treasury
Internal Revenue Service

▶ See separate instructions. ▶ Attach to your tax return.

Name(s) shown on return National Public Radio, Inc.	Business or activity to which this form relates 990T	Identifying number 52-0907625
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Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

1 Maximum amount. See the instructions for a higher limit for certain businesses	1	125,000
2 Total cost of section 179 property placed in service (see instructions)	2	
3 Threshold cost of section 179 property before reduction in limitation	3	500,000
4 Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	0
5 Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	125,000

(a) Description of property	(b) Cost (business use only)	(c) Elected cost	
6			
7 Listed property. Enter the amount from line 29			7
8 Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7			0
9 Tentative deduction. Enter the smaller of line 5 or line 8			0
10 Carryover of disallowed deduction from line 13 of your 2006 Form 4562.			
11 Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)			
12 Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11			0
13 Carryover of disallowed deduction to 2008. Add lines 9 and 10, less line 12			0

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.)

14 Special allowance for qualified New York Liberty or Gulf Opportunity Zone property (other than listed property) and cellulosic biomass ethanol plant property placed in service during the tax year (see instructions)	14	
15 Property subject to section 168(f)(1) election	15	
16 Other depreciation (including ACRS). See Statement 7	16	103,550

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

17 MACRS deductions for assets placed in service in tax years beginning before 2007	17	
18 If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/>		

Section B - Assets Placed in Service During 2007 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19 a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property			27.5 yrs.	MM	S/L	
i Nonresidential real property			39 yrs.	MM	S/L	
				MM	S/L	

Section C - Assets Placed in Service During 2007 Tax Year Using the Alternative Depreciation System

20 a Class life					S/L
b 12-year			12 yrs.		S/L
c 40-year			40 yrs.	MM	S/L

Part IV Summary (see instructions)

21 Listed property. Enter amount from line 28	21	
22 Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instr.	22	103,550
23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Part V Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A - Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

Table with 9 columns: (a) Type of property, (b) Date placed in service, (c) Business/investment use percentage, (d) Cost or other basis, (e) Basis for depreciation, (f) Recovery period, (g) Method/Convention, (h) Depreciation deduction, (i) Elected section 179 cost. Includes rows 25-29.

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

Table with 6 columns: (a) Vehicle 1, (b) Vehicle 2, (c) Vehicle 3, (d) Vehicle 4, (e) Vehicle 5, (f) Vehicle 6. Includes rows 30-36.

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions).

Table with 2 columns: Yes, No. Includes rows 37-41.

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

Part VI Amortization

Table with 6 columns: (a) Description of costs, (b) Date amortization begins, (c) Amortizable amount, (d) Code section, (e) Amortization period or percentage, (f) Amortization for this year. Includes rows 42-44.

Notice of Inconsistent Treatment or Administrative Adjustment Request (AAR)

Department of the Treasury
Internal Revenue Service

(For use by partners, S corporation shareholders, estate and domestic trust beneficiaries, foreign trust owners and beneficiaries, REMIC residual interest holders, and TMPs)
▶ See separate instructions.

Attachment
Sequence No **84**

Name(s) shown on return: **National Public Radio, Inc.** Identifying number: **52-0907625**

Part I General Information

- 1 Check boxes that apply: (a) Notice of inconsistent treatment (b) Administrative adjustment request (AAR)
- 2 If you are a tax matters partner (TMP) filing an AAR on behalf of the pass-through entity, are you requesting substituted return treatment? (see instructions) N/A Yes No
- 3 Identify type of pass-through entity:
(a) Partnership (b) Electing large partnership (c) S corporation (d) Estate (e) Trust (f) REMIC
- 4 Employer identification number of pass-through entity: **26-1156765**
- 6 Tax shelter registration number (if applicable) of pass-through entity
- 5 Name, address, and ZIP code of pass-through entity: **National Public Media LLC
156 West 56th Street, Suite 903
New York, NY 10019**
- 7 Internal Revenue Service Center where pass-through entity filed its return: **Ogden, Utah 84201-0011**
- 8 Tax year of pass-through entity: **10/31/07 to 09/30/08**
- 9 Your tax year: **10/31/07 to 09/30/08**

Part II Inconsistent or Administrative Adjustment Request (AAR) Items

(a) Description of inconsistent or administrative adjustment request (AAR) items (see instructions)	(b) Inconsistency is in, or AAR is to correct (check boxes that apply)		(c) Amount as shown on Schedule K-1, Schedule Q, or similar statement, a foreign trust statement, or your return, whichever applies (see instructions)	(d) Amount you are reporting	(e) Difference between (c) and (d)
	Amount of item	Treatment of item			
10 Schedule K-1, Box 1, Ordinary Business Income	X	X	278,036	119,927	158,109.00
11 Scheule K-1, Box 12, Section 179 Deduction	X	X	35,872	20,447	15,425.00
12					
13					

Part III Explanations—Enter the Part II item number before each explanation. If more space is needed, continue your explanations on the back.

Part II, Item #10 - The amount reported on Schedule K-1 for NPR includes certain pass-through income attributable to activity conducted with the taxpayer, NPR. Therefore, the portion of such income is treated as a self-charged amount and is not reported on Form 990-T.

Part II, Item #11 - The amount reported on Schedule K-1 for NPR includes certain pass-through expenses attributable to activity conducted with the taxpayer, NPR. Therefore, the portion of such expense is treated as a

Part III Explanations *(continued)*

self-charged amount and is not reported on Form 990-T.

Disclosure Statement

Do not use this form to disclose items or positions that are contrary to Treasury regulations. Instead, use Form 8275-R, Regulation Disclosure Statement. See separate instructions.

▶ Attach to your tax return.

Name(s) shown on return

National Public Radio, Inc.

Identifying number shown on return

52-0907625

Part I General Information (see instructions)

(a) Rev. Rul., Rev. Proc., etc.	(b) Item or Group of Items	(c) Detailed Description of Items	(d) Form or Schedule	(e) Line No.	(f) Amount
1 N/A	Other Income	Distribution Operations Expense Methodology and Net Operating Loss	990-I	12, 31	1,178,066
2 N/A	Exploited Inc	Exploited Exempt Activity - Excess Exempt Expenses	990-I	26	4,101,927
3					
4					
5					
6					

Part II Detailed Explanation (see instructions)

- 1 Distribution Operations Expense Methodology and Net Operating Loss - National Public Radio ("NPR") reports revenue received from sales of the excess capacity of the Public Radio Satellite Interconnection System ("PR SIS") provided to non-public radio customers (commercial) use as unrelated (continued on 2nd page)
- 2 Exploited Exempt Activity - Excess Exempt Expenses - On line 1, column 7 of Schedule I of its Form 990-I, National Public Radio ("NPR") has offset certain website income with \$4,101,927 of costs attributable to the operations and maintenance of its website pursuant to the exempt activity (continued on 2nd page)
- 3 -----
- 4 -----
- 5 -----
- 6 -----

Part III Information About Pass-Through Entity. To be completed by partners, shareholders, beneficiaries, or residual interest holders.

Complete this part only if you are making adequate disclosure for a pass-through item.

Note: A pass-through entity is a partnership, S corporation, estate, trust, regulated investment company (RIC), real estate investment trust (REIT), or real estate mortgage investment conduit (REMIC).

1 Name, address, and ZIP code of pass-through entity	2 Identifying number of pass-through entity
	3 Tax year of pass-through entity
	to
	4 Internal Revenue Service Center where the pass-through entity filed its return

Part IV Explanations (continued from Parts I and/or II)

Continuation of 1 - business income for the current year and in preceding years (giving rise to the net operating loss carry-forward, shown on 990-T, Line 31), NPR deducts expenses associated with its "distribution operations" that are attributable to the commercial usage using the following methodology:

Expenses of units that are exclusive to commercial operations are deducted from gross unrelated business income in full. In addition, expenses of units (e.g. Business Affairs, Facilities Engineering and Satellite Maintenance and Repair Depot) are allocated to public radio use and commercial use based on factors such as invoices processed, percentage of time spent, or shipping records, etc. However, certain joint expenses associated with satellite operations are allocated to public radio use and commercial use based on the total actual (weighted) transponder hours. For the fiscal year ending September 30, 2008, the operations unit incurred total expenses of \$2,096,006 of which \$1,178,066 was allocated to commercial usage and deducted from gross unrelated business income.

Continuation of 2 - exploitation rules found in Section 1.512(a)-1(d) of the regulations.