

# Virginia Department of Taxation

## Instructions for Application for Sales and Use Tax Exemption for Nonprofit Organizations

You can register online at [www.npo.tax.virginia.gov](http://www.npo.tax.virginia.gov)

If completing a paper application:

- Please read instructions carefully before completing this form.
- Please print or type, and provide the information requested on all lines that apply to your organization.
- **For assistance call (804) 377-3712.**
- Completed form can either be mailed or faxed to:

**Department of Taxation  
Nonprofit Exemption Team  
Post Office Box 27125  
Richmond, Virginia 23261-7125  
Fax (804) 786-2645**

### Instructions

#### **Reason for Submitting This Form**

- ☐ **New exemption application-** Organization is requesting a retail sales and use tax exemption for the first time.
- ☐ **Renewal application-** Organization has a current exemption, which is due to expire.

#### **Federal Exempt Designation:**

If required, nonprofit organizations must apply to the **Internal Revenue Service (IRS)** for recognition of exempt status under 501(c)(3) or 501(c)(4) of the Internal Revenue Code before applying to TAX for a Virginia retail sales and use tax exemption. If the organization has a Letter of Determination from the IRS, you must attach a copy along with your application. For additional information on how to apply for federal tax-exempt status, contact the IRS, at [www.irs.gov/eo](http://www.irs.gov/eo) or (877) 829-5500.

Organizations with gross receipts less than \$5,000 and organized for one of the purposes under 501(c)(3) or 501(c)(4), may also qualify for a retail sales and use tax exemption. You **must** attach a copy of the organization's Articles of Incorporation, Mission Statement or Statement of Purpose that best describes the organization's charitable purpose.

#### **Question 1**

Enter the full legal name of the organization.

#### **Question 2**

Enter the Federal Employer Identification Number (FEIN) for your organization.

#### **Question 3**

Enter the physical street, city, state, zip code, and email address of the organization.

1

#### **Question 4**

List the address of where the organization's financial records are available for public inspection.

#### **Question 5**

Enter the name, daytime phone number, title, address, FAX number, and email address of the contact person for your organization. This must be a person who is knowledgeable about your organization's financial records.

**Question 6**

Organization Classification – Choose only one of the classification types that best describes the principal function of your organization.

**Question 7**

Recent legislation provides two options for a nonprofit church requesting a retail sales and use tax exemption. A Church requesting an exemption may:

- Continue to use the self-issued exemption certificate, Form ST-13A. This option limits the nonprofit church to an exemption for tangible personal property for use in religious worship services by a congregation or church membership, or in any rooms in the public church buildings used in carrying out the work of the church and its related ministries.
- Apply to TAX for a numbered certificate of exemption. This option provided a broader exemption for nonprofit churches. The exemption is not limited to tangible personal property for use in the church or in any rooms in the public church buildings in carrying out the work of the church and its related ministries.

**Question 8**

Complete this question only if the Department of Taxation granted your organization an exemption from collecting the sales and use tax, or you are requesting an exemption and fall within the same class of organization that was exempt from collecting sales on June 30, 2003. Your organization may still qualify for an exemption on its purchases even if they do not qualify for a sales exemption. The organization must meet all the criteria as stated in the classifications on pages 4-5 of the instructions. Please provide a mission statement.

**Question 9**

Previous Year's Annual Gross Revenue – Enter revenue received from all sources during its annual accounting period before subtracting any costs or expenses. If filed federal Form 990 or Form 990EZ, enter amount as reported to the IRS.

\*\*\*If the previous year's total gross revenue is \$250,000 or greater, attach a financial audit performed by an independent Certified Public Accountant (CPA).

Previous Year's Total Fundraising – Enter fundraising expenses incurred in soliciting contributions, gifts, grants, etc. Fundraising expenses should include all allocable overhead costs incurred in: (a) publicizing and conducting fundraising campaigns; (b) soliciting bequests and grants from foundation or other organizations, or government grants (c) participating in federated fundraising campaigns; (d) preparing and distributing fundraising manuals, instructions, and other materials; (e) salaries; and (f) conducting special events that generate contributions. If filed federal Form 990 or Form 990EZ, enter amount as reported to the IRS.

Previous Year's General Administrative Cost – Enter the organization's expenses for overall function and management, rather than for its direct conduct of fundraising activities or program services. Overall management usually includes the salaries and expenses of the chief officer of the organization and that officer's staff. If part of their time is spent directly supervising program services and fundraising

activities, their salaries and expenses should be allocated among those functions. If filed federal Form 990 or Form 990EZ, enter amount as reported to the IRS.

**Question 10**

**Tangible Personal Property** – Include items that may be seen, weighed, measured, felt, or touched, or is in any other manner perceptible to the senses. The term “tangible personal property” shall not include stocks, bonds, notes, insurance or other obligations or securities, motor vehicles, fuel, services, salaries, postage/shipping, rent/mortgage payments, depreciation, and interest charges.

**Part One**

Enter the dollar amount, excluding sales tax, of the organization’s purchases of tangible personal property for the next year, the current year, and the preceding year. Exclude goods for resale, motor vehicles and fuel, services, salaries, insurance, utilities, postage/shipping, rent/mortgage payments, depreciation, and interest charges. Failure to provide this information may result in the denial of the exemption certificate. Estimates are acceptable. If a fiscal year filer, enter the organization’s filing period (same as federal filing period).

**\*\*Do not leave any fields blank; enter zero if the organization had no purchases for a specific period.**

**Part Two**

Enter the dollar amount, excluding sales tax of the organization’s sales of tangible personal property for the next year, the current year, and the preceding year. Exclude goods for resale, motor vehicles and fuel, services, salaries, insurance, utilities, postage/shipping, rent/mortgage payments, depreciation, and interest charges. Failure to provide this information may result in the denial of the exemption certificate. If a fiscal year filer, enter the organizations filing period (same as federal filing period).

**\*\*Do not leave any fields blank; enter zero if the organization had no sales for a specific period.**

**Question 11**

If you are required to file a federal 990 or 990EZ tax form, please check yes and attach such document. If you are not required to file, list the names, addresses, phone and fax numbers and email addresses of two members from the Board of Directors.

**Question 12**

Charitable organizations that intend to solicit contributions within the Commonwealth may be required to register with the Virginia Department of Agriculture and Consumer Services. If the organization is registered to solicit contributions in Virginia, please submit the documentation that reflects registration with the Virginia Department of Agriculture and Consumer Services. Please call (804) 786-1343 for additional information.

**Signature**

This section must be completed.

Read the statement and complete the section if you are authorized to sign the application. If not authorized to sign, have the application signed and dated by an authorized person. Unsigned or improperly signed applications will be returned unprocessed.

3

Organizations must be exempt on sales as of June 30, 2003 or qualify within the same class of an organization that was exempt from collecting sales on June 30, 2003.

#### Cardiovascular Organizations

Organized and operated exclusively for the purposes of providing education, training, certification in emergency cardiac care, research, and other related services to reduce disability and death from cardiovascular diseases and stroke.

#### Cancer Organizations

Organized exclusively for the purpose of eliminating cancer as a major health problem by preventing cancer, saving lives from cancer, and diminishing suffering from cancer through research, education and service.

#### Diabetes Organizations

Organized and operated exclusively for the purpose of eliminating diabetes through medical research, public education focusing on disease prevention and education, patient education including information on coping with diabetes, and professional education and training.

#### Physical Education Programs

Nonprofit charitable organization which is organized exclusively to foster, sponsor and promote physical education, athletic programs and contests for youths in the Commonwealth.

#### Lung Organizations

Organized and operated exclusively for the purpose of eliminating all lung disease, including asthma, emphysema, lung cancer and pneumonia, through medical research, public education focusing on disease prevention and education, patient education including information on coping with lung disease, smoking and air pollution prevention, and professional education and training.

#### Nutrition Programs

Nonprofit nutrition programs for the elderly qualifying under 42 U.S.C. § 3030e through 42 U.S.C. § 3030g, as amended, as administered by the Virginia Department for the Aging, and the food and food products sold under such programs to elderly persons and the food and food products sold by such program participants to disabled or handicapped persons under the age of sixty.

#### Nonsectarian Youth Organizations (i.e., Boys and Girls Scouts)

Nonsectarian youth organization which is organized for the purposes of the character development and citizenship training of its members using the methods now in common use by Girl Scout or Boy Scout organizations in Virginia.

Provide services to the blind, deaf or hearing impaired, drug abusers and drug awareness programs, for diabetes detection, and opportunities for the musically talented boys and girls of the Commonwealth (i.e., Lions Club)

Provide services to the blind, deaf or hearing impaired, drug abusers and drug awareness programs, for diabetes detection, and opportunities for the musically talented boys and girls of the Commonwealth.

#### Supports Public Libraries

Organized exclusively for the purpose of providing support to public libraries.

#### Youth Symphony Orchestras

Organized exclusively to foster, promote and increase the musical knowledge, appreciation, experience and performing ability of young people and of the general public, by establishing, maintaining and operating one or more youth symphony orchestras in the Commonwealth.

#### Volunteer Medical Service Organizations

Provide reconstructive surgery and related health care to indigent children and young adults in developing countries and the United States.

#### Food Banks

Food bank or organization organized exclusively for the distribution of foods to infants, the ill, or the needy; the exemptions shall apply to each transaction in the chain of commerce from manufacture to final disposition, provided that such food bank or organization is not conducted for profit.

#### Volunteer Fire Department & Rescue Squads

A volunteer fire department or volunteer rescue squad, an auxiliary or junior organization of such department or squad not conducted for profit, a nonprofit association of which the regular membership is composed of such volunteer fire departments or volunteer rescue squads, and construction materials to be incorporated into realty when sold to and used by such organization, rather than a contractor, in construction, maintenance, or repair of any property of such organization.

#### Humane Societies

Virginia Federation of Humane Societies or any chartered, nonprofit organization incorporated under the laws of this Commonwealth and organized for the purpose of preventing cruelty to animals and promoting humane care of animals, when such property is used for the operation of such organizations or the construction or maintenance of animal shelters.

#### Provide food packages at reduced prices

Organized for the purpose of providing food packages at a reduced price through host organizations (i.e., churches, community centers, senior centers, medical centers, Head Start programs) to individuals who agree to perform community service.

#### School fund-raising for elementary or secondary schools (i.e., PTA's)

A nonprofit elementary or secondary school, or Parent Teacher Association or other group associated with a nonprofit elementary or secondary school for use in fund-raising activities, the net proceeds (gross receipts less direct expenses) of which are contributed directly to the school or used to purchase certified school equipment, and certified school equipment purchased by such groups for contribution directly to the school. For the purposes of this subdivision, "certified school equipment" means equipment for which the Parent Teacher Association or other group has received certification from the school that it will accept as a donation of equipment. The certification provided by the school shall be in accordance with regulations promulgated by the Tax Commissioner.

Notwithstanding the other provisions of this subdivision, the tax shall not apply to the sale of class rings, school photographs, and other fund-raising programs from which a nonprofit elementary or secondary school receives a commission or the net proceeds after the payment of vendors and other direct expenses.

#### Noncommercial Educational Telecommunications Entity

Nonprofit Noncommercial educational telecommunications entity

#### Training and education in law enforcement

Exclusively provides either training and education of any type or duration for employees of governmental law-enforcement and corrections agencies or education of the public in

citizen cooperation with public authorities in crime prevention and solution, provided such foundation is nonprofit.

5 6

### CHECKLIST

Please make sure all the following documents are included with the application if required:

- \_\_\_\_\_ 501(c)(3) or 501(c)(4) IRS Determination Letter
- \_\_\_\_\_ Independent Financial Audit from a Certified Public Accountant
- \_\_\_\_\_ Mission Statement, Articles of Incorporation or Statement of Purpose
- \_\_\_\_\_ Form 990, Form 990EZ or substitute form
- \_\_\_\_\_ Proof of Chapter 5 Compliance
- \_\_\_\_\_ Authorized Signature