

# Application for Nonprofit Exempt Status—Sales Tax

Read instructions on back before completing this form.

<b>Print or type</b>	Name of organization _____		Organization's web address, if any _____	
	Mailing address _____			
	City _____	State _____	Zip code _____	Daytime phone _____
				(    ) _____

<b>Information about the organization</b>	Check type of organization. See instructions on back for information on what you need to include with your application.	
	<input type="checkbox"/>	Parent-teacher or parent-teacher-student association (PTA, PTSA, PTO, etc.)
	<input type="checkbox"/>	Church
	<input type="checkbox"/>	Nonprofit private school, college or university
	<input type="checkbox"/>	Youth organization
	<input type="checkbox"/>	Senior citizen group
	<input type="checkbox"/>	Educational organization
	<input type="checkbox"/>	Charitable organization
	<input type="checkbox"/>	Other. List the organization's usual public activities. See instructions for requirements.
	Are donations to your organization deductible for Minnesota and federal income tax purposes? See instructions . . . . . <input type="checkbox"/> Yes <input type="checkbox"/> No	
Does your organization make ongoing retail sales of taxable items? See instructions. . . . . <input type="checkbox"/> Yes <input type="checkbox"/> No		
If you already have a Minnesota tax ID number, enter the number here _____		

<b>Principal officers</b>	List names of principal officers and the office held by each.	
	Name _____	Title _____
	Name _____	Title _____
	Name _____	Title _____

<b>Sign here</b>	<i>I certify that the above statements are correct to the best of my knowledge and belief, that accompanying documents are true copies of original documents and that I am authorized to sign this application.</i>		
	Signature _____	Title _____	Date _____

Mail this application and required attachments to: Minnesota Revenue, Mail Station 6330, St. Paul, MN 55146-6330

# Instructions for Form ST16

Under Minnesota law, some nonprofit groups may purchase certain kinds of items without paying sales tax. These groups must have an exempt status number to use on Form ST3, Certificate of Exemption, in order to make tax-free purchases. The certificate is good only for *purchases* made by the nonprofit group; *it does not allow the group to sell items without collecting sales tax.*

Not all nonprofit groups are eligible for exempt status. Read the list below to determine if your group is eligible, and if you should use this application.

Use this application if your group is:

- Organized and operated exclusively for charitable, religious or educational purposes and have obtained exemption from federal income tax under section 501(c)(3) of the Internal Revenue Code; or
- A senior citizen group that is organized for pleasure, recreation or other nonprofit purpose. The group must limit membership to those who are age 55 years or older or are physically disabled; or
- A youth group that is organized for pleasure, recreation or other nonprofit purpose. The group must limit membership to those who are age 18 and under.

**Please note:** Nonprofit organizations that qualify for federal income tax exemption are not automatically exempt from Minnesota sales tax.

Examples of nonprofit organizations that may qualify for sales tax exempt status include churches, private schools, colleges and universities, museums and historical societies, youth organizations, senior citizen groups, home schools, and volunteer fire departments.

Examples of organizations that do not qualify for sales tax exempt status include Chambers of Commerce, Knights of Columbus, Masonic Lodges, city-run celebrations, homeowners' associations, fraternities, sororities, lake improvement associations, medical clinics, Jaycees, Kiwanis and Lions Clubs, adult sports clubs of any type, trade associations, prayer societies, professional associations, and social clubs.

Federal agencies are automatically exempt from sales tax when making direct purchases; they do not need an exemption certificate. A purchase order or payment voucher to the vendor showing that the purchaser is a federal agency is sufficient. (Most state and local government agencies are not exempt.)

## What is exempt?

The exemption is limited to purchases of items used in the performance of the charitable, religious or educational functions of the exempt organization. The item or service must be sold directly to the exempt organization.

Sales tax exemption does not apply to the following, so you must pay sales tax on:

- prepared food, soft drinks and candy, including catered food
- lodging
- gambling equipment and supplies
- most motor vehicles
- 6.2% car rental tax and 3% car rental fee

You must also pay tax on waste collection and disposal services (although this is a special tax, not a sales tax).

## Completing this form

### Name and address

If the organization does not have an official phone number, enter the daytime phone number of the person signing the application.

### Type of organization

You must include the requested material below with your application.

### Parent-teacher associations

Provide a copy of your signed Articles of Incorporation or Constitution and a letter from the principal indicating the organization's affiliation with the school.

### All other organizations must provide:

- A copy your signed Articles of Incorporation or Constitution;
- A copy of your federal letter granting exemption from income tax along with the application you submitted to the IRS for federal income tax exemption,
- and the following:

**Churches:** Documentation such as a bulletin showing the organization's place of worship and time of worship services.

### Nonprofit private schools, colleges, and universities:

A letter describing your school's curriculum, the location of your school, how many students attend your school, and a listing of your faculty members and their positions.

**Youth organizations:** The Articles of Incorporation or Constitution must show that membership is limited to youth who are age 18 and under.

**Senior citizen groups:** The Articles of Incorporation or Constitution must show that membership is limited to senior citizens who are age 55 years or older or are under 55 years of age but physically disabled.

**Educational organizations:** An income and expense statement for your last accounting period.

**Charitable organizations:** An income and expense statement for your last accounting period, and indicate whether or not your organization is exempt from local property taxes, if your organization owns real property.

**Other organizations not listed above:** An income and expense statement for your last accounting period.

### Are donations deductible?

Your Minnesota or federal letter granting exemption from income tax will state if donations to your organization are or are not deductible for income tax purposes. If the answer is "no," send us a copy of your IRS denial and/or an explanation of your income tax exemption status.

### Do you make ongoing retail sales?

If your organization makes retail sales, you may need a Minnesota tax ID number. To apply for one, go to [www.taxes.state.mn.us](http://www.taxes.state.mn.us) or call 651-282-5225 or 1-800-657-3605. TTY: Call 711 for Minnesota Relay.

If additional information is necessary, you will be sent forms to complete and return.

If you already have a Minnesota tax ID number, enter the number on the front.

### Information and assistance

Sales and use tax forms, fact sheets and other information is available on our website at [www.taxes.state.mn.us](http://www.taxes.state.mn.us).

If you need help completing this application or have questions, call 651-296-6181 or 1-800-657-3777. TTY: Call 711 for Minnesota Relay.

We'll provide this information in other formats upon request to persons with disabilities.