An organization with an E-number by the Department of Revenue Service issued prior to July 1, 1995 is also considered a "qualifying organization" for the purposes of the exemption from sales and use taxes. As of July 1, 1995, the Department no longer issues exemption permits but it will honor permits issued prior to July 1, 1995 as long as the organization remains exempt from federal income tax. Therefore, if your organization was issued a Connecticut E-number prior to July 1, 1995, it will be exempt from tax by completing CERT-119 and attaching to it a copy of your E-Number Permit.



Purchases of Goods or Taxable Services

A "qualifying organization" may purchase supplies, services and equipment without paying Connecticut sales and use taxes if the purchases are made by the organization, are exclusively for the purposes for which the organization was established, and are paid for with organization funds. To claim exemption for the purchase of goods or taxable services, the organization must complete CERT-119 view.asp?a=1477&q=445816), Certificate for Purchases of Tangible Personal Property and Services by Qualifying Exempt Organizations and give it to the retailer. The organization must attach to the CERT-119 a copy its federal Determination Letter or group Determination Letter issued by the Internal Revenue Service. (Do not send CERT-119 to this Department, it must be given directly to the retailer.)

Purchases of Meals or Lodging

- If the organization will be purchasing the meals or lodging with its own funds and will not charge or be reimbursed by those attending the event, prior approval from the Department of Revenue Services is required. To request exemption from the tax on meals or lodging the organization must submit a completed CERT-112 (view.asp?a=1477&q=445816), Certificate for Exempt Qualifying Purchases of Meals or Lodging by an Exempt Organization or Qualifying Governmental Agency, to this Department at least three weeks prior to the event. The organization must attach to the CERT-112, a copy of its federal Determination Letter or group Determination Letter issued by the Internal Revenue Service. Please also refer to PS 2006(3) (/DRS/Publications/Policy-Statements/2006/PS-20063-Purchases-of-Meals-or-Lodging-by-Exempt-Entities), Purchases of Meals or Lodging by Exempt Entities.
- If the organization is purchasing meals but will charge those who are attending the event (either by selling tickets or collecting reimbursement from those attending the event), do not complete CERT-112. Instead, follow the directions in SN 98(11) (/DRS/Publications/Special-Notices/1998/SN-98-11), Exemption from Sales and Use Taxes of Sales by Nonprofit Organizations at Fundraising or Social Events, about purchasing meals and lodging using the exemption for five oneday events.
- The charge for lodging (hotel or motel) is not exempt from tax if the organization is being reimbursed in whole or in part by the person(s) staying in the hotel or motel rooms.

Connecticut State Department of Revenue Services

CT.gov Home (/) Department of Revenue Services (/DRS) Tax Exemption Programs for Nonprofit Organizations

	Featured Items (/DRS/_resources/Agency-Landing-Page/Featured-Items)	>	•
	For Businesses (/DRS/Businesses/New-Business-Portal/For-Businesses)	>	•
	For Individuals (/DRS/Individuals/Individuals)	>	•
	Practitioners (/DRS/_resources/Agency-Landing-Page/Practitioners)	>	•
	Refund Protection Program (/DRS/Individuals/Individual-Tax-Page/Refund-Protection- Program)	>	•
	Forms (/DRS/DRS-Forms/Forms/DRS-Forms)	>	,
	Publications (/DRS/Publications/Publications-Page)	>	•
	Research Library (/DRS/_resources/Agency-Landing-Page/Research-Library-Reports)	>	,
Se	earch Department of Revenue Services		
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Tax Exemption Programs for Nonprofit Organizations

Connecticut law provides for an exemption from Connecticut sales and use taxes for qualifying nonprofit organizations. An organization that was issued a federal Determination Letter of exemption under Section 50l(c)(3) or (13) of the Internal Revenue Code is a "qualifying organization" for the purposes of the exemption from sales and use taxes. Connecticut no longer issues exemption permits but accepts for proof of exemption a copy of the Federal Determination Letter or a Connecticut Exemption Permit (E-Number Permit) issued prior to 1995.

For information on how to obtain a federal determination letter of exemption for the organization, you may contact the Internal Revenue Service at 1-877-829-5500. <u>SN 95(10)</u>, (/DRS/Publications/Special-Notices/1995/SN-95-10) Exempt Purchases by Exempt Organizations, provides additional information about the Connecticut exemption process.

Sales Made by Nonprofit Organizations

Nonprofit organizations that make sales of goods or services are generally required to obtain a Connecticut *Sales and Use Tax Permit* and to collect sales tax on those sales. There are exceptions to the general rule. A nonprofit organization may make sales at up to 5 fundraising events per year without collecting sales tax. For information on this exception to the general requirement to collect the sales tax, please read our publication, <u>SN 98(11) (/DRS/Publications/Special-Notices/1998/SN-98-11)</u>, Exemption from Sales and Use Taxes of Sales by Nonprofit Organizations at Fundraising or Social Events.

(Rev. 05/04)

CERT-119

Purchases of Tangible Personal Property and Services by Qualifying Exempt Organizations

General Purpose: A qualifying exempt organization must issue this certificate to retailers when purchasing items to be used by the organization exclusively for the purposes for which it was established. Under Conn. Gen. Stat. §12-412(8), a qualifying exempt organization is either:

- An organization issued an exemption permit by the Department of Revenue Services (DRS) under Conn. Agencies Regs. §12-426-15, if the permit has not been canceled or revoked by DRS; or
- An organization that is exempt from federal income tax under I.R.C. §501(a) and has been issued a determination letter by the U.S. Treasury Department as an organization described in I.R.C. §501(c)(3) or (13), if the determination letter has not been revoked by the Internal Revenue Service (IRS).

A qualifying exempt organization may use this certificate to purchase any tangible personal property for resale at one of five fundraising or social events of a day's duration during any calendar year. The event must be exempt from tax under Conn. Gen. Stat. §12-412(94). Otherwise, exempt organizations are not allowed to purchase tangible personal property for resale with this certificate. See Special Notice 98(11), Exemption From Sales and Use Taxes of Sales by Nonprofit Organizations at Fundraising or Social Events.

Purchases of Meals and Lodging: In general, qualifying exempt organizations may not use this certificate to purchase meals and lodging, but must get preapproval from DRS for these purchases, and use CERT-112, Exempt Purchases of Meals and Lodging by Exempt Entities, or CERT-123, Blanket Certificate for Exempt Qualifying Purchases of Meals or Lodging by an Exempt Entity.

However, a qualifying exempt organization may purchase meals tax exempt using this certificate, without prior approval from DRS, when it will resell the meals at one of five fundraising or social events per year exempt under Conn. Gen. Stat. §12-412(94). See Policy Statement 2003(4), Purchases of Meals of Lodging by Exempt Entities.

If the purchaser is not a qualifying exempt organization or does not use the property or services purchased exclusively for the purposes for which the organization was established, the purchaser owes use tax on the total purchase price of the property or services.

Statutory Authority: Conn. Gen. Stat. §12-412(8) and (94).

Instructions for the Purchaser: An officer of a qualifying exempt organization must issue and sign this certificate to advise the seller of tangible personal property or taxable services that sales and use taxes do not apply to the purchase. Keep a copy of this certificate, the documents attached, and records that substantiate the information entered on this certificate for at least six years from the date this certificate is issued.

The purchaser must attach to this certificate a copy of the:

- Exemption permit issued to the organization by DRS under Conn. Agencies Regs. §12-426-15; or
- Determination letter or group exemption letter issued by the IRS which establishes that the organization has been determined to be an exempt organization described in I.R.C. §501(c)(3) or (13).

For purchases made on or after January 1, 1996, a qualifying exempt organization covered by a group exemption letter, and that was not issued an exemption permit by DRS under Conn. Agencies Regs. §12-426-15, must attach to this certificate a copy of:

- The group exemption letter issued by the IRS to subordinate organizations (including the qualifying exempt organization) on whose behalf a central organization applied for recognition of exemption;
- The organization's written consent to the central organization to be covered by the group exemption letter; and
- The central organization's written notification to the IRS that the organization consents to be covered by the group exemption letter.

Instructions for the Seller: Acceptance of this certificate, when properly completed, relieves the seller from the burden of proving the sale and the storage, use, or consumption of the tangible personal property or taxable services are not subject to sales and use taxes. This certificate is valid only if taken in good faith from a qualifying exempt organization. The good faith of the seller will be questioned if the seller knows of facts that suggest the purchaser is not a qualifying exempt organization.

Keep this certificate, the documents attached, and bills or invoices to the purchaser for at least six years from the date the items or services were purchased. The bills, invoices or records covering the purchase made under this certificate must be marked "Exempt Under CERT-119" to indicate the purchase was exempt.

This certificate may be used for a single exempt purchase, in which case the box marked "Certificate for One Purchase Only" must be checked. This certificate may also be used for a continuing line of exempt purchases, in which case the box marked "Blanket Certificate" must be checked. A blanket certificate remains in effect for three years unless the purchaser revokes it in writing before the expiration of the three-year period. CERT-119 may not be used as a blanket certificate for purchases of tangible personal property for resale at any one of five fundraising or social events per calendar year exempt under Conn. Gen. Stat. §12-412(94).

An exempt organization must pay for its exempt purchases by a check drawn on its checking account or by a credit card issued in its name (and not in the name of any of its members or officers). An exempt organization may make a purchase of \$10 or less using cash from the organization's own funds. However, a blanket CERT-119 may not be used for a cash purchase, and a properly completed CERT-119, with the appropriate documents attached, must be issued to the retailer at the time of each cash purchase.

For More Information: Call DRS at 1-800-382-9463 (in-state) or 860-297-5962 (from anywhere). TTY, TDD, and Text Telephone users only may transmit inquiries 24 hours a day by calling 860-297-4911. Preview and download forms and publications from the DRS website at www.ct.gov/DRS

Name of Purchaser	Address	CT Tax Registration Number (If none, explain)	Exemption Permit # (If any)
			Federal Employer ID #
Name of Seller	Address	CT Tax Registration Number (If none, explain)	Federal Employer ID#
Check one box:	(CERTAIN)		
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		n. Gen. Stat. §12-412(94). Indicate the number o under Conn. Gen. Stat. §12-412(94):	f prior fundraising or social events during this
· · · ·	nd provide a written descript	on of each item purchased:	
Check the appropriate box a Tangible Personal Description:		ervices	
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Tangible Personal Description:	Property Taxable S	Declaration by Purchaser	
Tangible Personal Description: The qualifying exempt organ for which the organization we events per year exempt from	Property Taxable So	Declaration by Purchaser ole personal property or taxable services described a purchase of tangible personal property or meals a declares the exemption permit, determination letter	for resale at one of five fundraising or socia
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