

Florida Department Of Revenue
Tax Information Publication

TIP 99A01-17

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Sales Tax Exemption for Nonprofit Fundraising Organizations

Currently, sales or leases to nonprofit organizations that raise funds for other nonprofit organizations are exempt from sales and use taxes when:

1. the sole or primary function of the organization is to raise funds for other nonprofit organizations that provide, free of charge or at substantially reduced rates, specified charitable services to those persons, animals or organizations that are unable to pay for the services; or,
2. its purpose is to raise funds for schools teaching students from the kindergarten level through the college level.

These provisions remain unchanged.

Effective July 1, 1999, the exemption for nonprofit fundraising organizations is expanded to include additional organizations. Sales or leases to nonprofit fundraising organizations will be exempt from sales and use tax when:

1. the organization holds a current exemption from federal income tax under section 501(c)(3) of the Internal Revenue Code; **and,**
2. the sole or primary function of the organization is to raise funds for, or make grants to, another organization or organizations that currently hold a Consumer's Certificate of Exemption issued by the Florida Department of Revenue.

Nonprofit fundraising organizations that now qualify for exemption should submit an Application for Consumer's Certificate of Exemption (Form DR-5) to the Florida Department of Revenue.

The new exemption for sales or leases to nonprofit fundraising organizations applies retroactively with the following exceptions:

(1) all taxes that have been collected must be remitted;

(2) taxes that have been remitted before July 1, 1999, on transactions that would otherwise qualify for exemption under the new provision, **are not subject to refund.**

Sales and leases made by nonprofit fundraising organizations continue to be taxable. Organizations making sales and leases must be registered to collect and remit Florida sales tax.

FOR MORE INFORMATION

This document is intended to alert you to the requirements contained in Florida laws and administrative rules. It does not by its own effect create rights or require compliance.

For more information call Tax Information Services, Monday - Friday, 8:00 a.m. to 5:00 p.m., ET, at 850-488-6800.

Hearing or speech impaired persons should call our TDD at 1-800-367-8331 or 850-922-1115.

For a detailed written response to your questions, write the Florida Department of Revenue, Tax Information Services, 1379 Blountstown Highway, Tallahassee, FL 32304.

For forms and other information, visit our Web site at <http://sun6.dms.state.fl.us/dor/>.

Get tax forms quickly by FAX ON DEMAND. Call 850-922-3676, twenty-four hours a day, seven days a week, using your fax machine handset and follow the instructions.

References:

Ch. 99-238, L.O.F.

s. 212.08(7), F.S.