



Religious and Charitable Exemptions

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Wyoming Department of Revenue

The purpose of this bulletin is to briefly explain how Wyoming law applies to religious and charitable organizations for sales/use tax purposes. We will follow that with a discussion of the process a non-profit religious or charitable organization would undertake should they choose to obtain a determination of their exempt status from our office.

Exemptions available for purchases made by qualifying religious and charitable organizations

- Sales made to religious or charitable organizations including nonprofit organizations providing meals or services to senior citizens as certified to the department of revenue by the department of health in or for the conduct of the regular religious, charitable or senior citizen functions and activities and sales of meals made to persons in regular conduct of senior citizen centers functions and activities. [W.S. 39-15-105(a)(iv)(B), W.S. 39-16-105(a)(iv)(B)]
- Religious and Charitable Organizations. Organizations operated primarily for religious or charitable purposes shall be exempt from sales and use tax on their purchases. Organizations verifying federal 501(c)(3) status with our agency will be issued an exemption

approval letter on this documentation alone. All other organizations must furnish the documents set forth in the following subsection. Such organizations shall apply to the Department in writing for exemption approval and registration. [WY Dept. of Rev. Rules, Chap. 2 Sec. 7(c)]

For purposes of this bulletin, a sales tax exempt non-profit religious or charitable organization is one that is legally excused from having to charge Wyoming sales tax.

Exemptions available for sales made by qualifying religious and charitable organizations

- W.S. 39-15-105(a)(iv)(C) exempts, "Occasional sales made by religious or charitable organizations for fund raising purposes for the conduct of regular religious or charitable functions and activities, and not in the course of any regular business. For the purposes of this subparagraph, "regular business" means the habitual or regular activity of the organization excluding any incidental or occasional operation;"
- WY Dept of Rev Rules, Chap 2, Sec 7(c)(iv) states: "Occasional sales of tangible personal property or services by religious or charitable organizations for fund raising purposes for the conduct of their

regular religious or charitable functions and activities shall be exempt from the sales tax.” Occasional sales are defined as, “...a single event occurring four or fewer times in a calendar year;” [WY Dept. of Rev. Rules, Chap. 2 Sec. 2(x)]

Process to request a determination of exempt status

Although there is no statutory requirement for a non-profit religious or charitable organization to obtain a determination of exempt status from our office, it is encouraged. Should an organization fail to seek a determination and discover that they have availed themselves of the exemption(s) in error, the organization would be subject to not only payment of the original tax due but also penalty and interest on the unpaid tax accruing from the time the tax was originally payable to the Department.

For those non-profit religious or charitable organizations in possession of a 501(c)(3) determination letter from the Internal Revenue Service, all that is required for our office to issue a letter of authority is for the organization to provide us a copy of that letter. Sales/use tax exempt status will be made to non-profit religious or charitable organizations based on that document alone.

For a non-profit religious or charitable organization that does not have a 501(c)(3) letter from the Internal Revenue Service, the following items must be submitted to our office for review:

- Articles of Incorporation
- Constitution or Bylaws
- Mission Statement
- Income and Expense Statements (for the past three years)

After these documents are received and reviewed, a determination will then be made.

Once it has been determined an organization does qualify for Wyoming Sales/Use Tax exemption, the entity will receive a letter of authority and a Streamlined Sales Tax Agreement (SSUTA) Certificate of Exemption. The SSUTA Certificate of Exemption must be properly completed and submitted to the vendor. It should not be sent to the Department. The letter of authority is not required to be presented to the vendor. Rather, this letter explains the boundaries of the sales/use tax exemption and contains the entity’s RID (Revenue Identification) number. The RID is the number that is inserted on the SSUTA Certificate of Exemption in the space marked “Purchaser’s tax ID number.” It is not appropriate to place the entity’s FEIN number, CID number, or 501(c)(3) number in that location on the form.

Should an organization experience a change to their condition, such as a change in their name, address, designation by the Internal Revenue Service, or change in their non-profit religious or charitable condition or focus, it is advised that the organization contact our office for an updated letter of authority. Our letters of authority are based entirely on our review of the documents noted above and a change could cause the organization to no longer be considered exempt from Wyoming sales/use tax.

Religious and charitable organizations engaged in regular sales

Finally, if exemption is granted to a non-profit religious or charitable organization for their sales for fundraising purposes and the organization also engages in regular sales, their designation as a non-profit religious or

charitable organization does not supersede the requirement to obtain a sales/use tax license and collect and remit sales tax on all sales of tangible personal property or taxable services. Important distinctions exist as to whether retail sales of tangible personal property are being made occasionally or in a regular business activity. If, for example, an entity is making regular retail sales in a thrift store and occasional sales for fundraising purposes, the regular sales are taxable. The occasional sales are not taxable.

Please be advised that this bulletin addresses issues in general terms and cannot be appropriate or applicable in all situations. If your situation is markedly different or you have concerns about this issue, please do not hesitate to contact this department. You can do so by e-mail directed to:
DOR_taxability@wyo.gov

Supporting Authority -

W.S. 39-15-105(a)(iv)(B) and W.S. 39-16-105(a)(iv)(B)

Sales made to religious or charitable organizations including nonprofit organizations providing meals or services to senior citizens as certified to the department of revenue by the department of health in or for the conduct of the regular religious, charitable or senior citizen functions and activities and sales of meals made to persons in regular conduct of senior citizen centers functions and activities;

W.S. 39-15-105(a)(iv)(C)

For the purpose of exempting sales of services and tangible personal property sold to government, charitable and nonprofit organizations, irrigation districts and weed

and pest control districts, the following are exempt:

Occasional sales made by religious or charitable organizations for fund raising purposes for the conduct of regular religious or charitable functions and activities, and not in the course of any regular business. For the purposes of this subparagraph, "regular business" means the habitual or regular activity of the organization excluding any incidental or occasional operation;

WY Dept. of Rev Rules, Chap 2, Sec 7(c)

Religious and Charitable Organizations. Organizations operated primarily for religious or charitable purposes shall be exempt from sales and use tax on their purchases. Organizations verifying federal 501(c)(3) status with our agency will be issued an exemption approval letter on this documentation alone. All other organizations must furnish the documents set forth in the following subsection. Such organizations shall apply to the Department in writing for exemption approval and registration.

(i.) The Department shall consider the following documentation to determine whether the organization is primarily engaged in charitable or religious activities:

- (A.) Articles of Incorporation
- (B.) Organizational Charter or Constitution
- (C.) Mission Statement
- (D.) Budget
- (E.) Income and Expense Statements
- (F.) Evidence of federal tax exempt status

(ii.) To be considered primarily organized and operated for charitable or religious activities, an organization shall establish that:

(A) The organization is organized and operated for a purpose designed to benefit an indefinite number of persons in an educational, moral, physical, or social manner; and

(B) The organization's assets are completely and permanently pledged to that same charitable or religious purpose; and

(C) No part of the net earnings of the organization will be distributed to the organization's members, trustees, officers, or other similarly situated persons as salary or profit earned from organizational activities; and

(D) The organization is a non-profit organization, and has expended at least sixty five percent (65%) of its annual income for the prior three (3) years on programs, other organizations, foundations, or similar groups and/or activities directly related to its charitable purposes.

(iii.) Organizations shall notify the Department if the conditions allowing exempt status change.

(A.) Organizations which have existed for less than three (3) years and which have insufficient history to comply with Section 9(c)(ii)(D), as determined by the Department, may be issued exemption approval for one (1) year.

(iv.) Occasional sales of tangible personal property or services by religious or charitable organizations for fund raising purposes for the conduct of their regular religious or charitable functions and activities shall be exempt from the sales tax.

(v.) Purchases made by religious or charitable organizations in or for their regular religious or charitable functions and activities shall be exempt from the sales and use tax. Purchases made by members or employees of religious or

charitable organizations shall be subject to the sales or use tax if not paid directly by the organization.

(vi.) For the purpose of this rule, construction contractors shall be considered self-employed and not employees of religious or charitable organizations. Therefore contractors shall be subject to the sales and use tax on all equipment, materials, fixtures and supplies purchased by the contractor to perform under the contract.

WY Dept. of Rev Rules, Chap 2, Sec 2(x)

“Occasional Sale” as used in Section 9 means a single event occurring four or fewer times in a calendar year.