

Charitable:

Sales tax exemption certificates are issued to Colorado located organizations which substantiate an exclusively charitable purpose and activity within Colorado.

Your organization may be non-profit for income tax purposes, but not necessarily entitled to sales tax exemption. The fact that some charity work is performed or that funds—all or in part—are given to a charitable group does not automatically qualify your organization for the Colorado sales/use tax exemption.

To be considered a charitable organization you must be **organized and operated exclusively** for one or more of the purposes specified in Section 39-26-102(2.5). “Charitable organization’ means any entity organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary, or educational purposes, or to foster national or international amateur sports competition (but only if no part of its activities involve the provision of athletic facilities or equipment), or for the prevention of cruelty to children or animals, no part of the net earning of which inures to the benefit of any private shareholder or individual, no substantial part of the activities of which is carrying on propaganda, or otherwise attempting to influence legislation, and which does not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of any candidate for public office, or any veterans’ organization registered under section 501(c)(19) of the ‘Internal Revenue Code of 1986’, as amended, for the purpose of sponsoring a special event, meeting, or other function in the state of Colorado so long as such event, meeting, or function is not part of such organization’s regular activities in the state.”

You are to clearly define your purpose and function. For instance, an organization claiming exemption for education is to give information regarding structured curriculum, scholastic requirements for teachers and students, attendance requirements, tuition charged, and regular functions within confines of education.

Use: Payment for items is to be made from organizational funds. Items are to be for the exclusively charitable purpose for which exemption is granted. The exemption certificate cannot be used as a retailers license to purchase tax-exempt items to be resold, nor to avoid collecting and remitting taxes on donated or crafted items sold to individuals for use or consumption.

Political Districts and Federal Banks

Supply the information requested

Use: The government exemption is allowed under the statute regulation: *Items must be used to conduct normal functions of the District or Bank. Order for goods must be made on a prescribed form or purchase order and paid for directly to the seller by warrant or check drawn on the organizations funds.*

Government-Federal, State and Local

Though Federal, State and Local governments are automatically exempt from paying sales/use tax per 39-26-114(1)(a)(I), proof must be furnished to the seller in the form of an exemption number. Orders for goods must be made on a prescribed form or purchase order and paid for directly to the seller by warrants drawn on government funds. Individual exemption certificates are not issued to each office of governmental agencies. One blanket certificate is issued to the main office of the Federal and State agency.

Mail completed form to:

Colorado Department of Revenue
1375 Sherman Street, Rm. 208
Denver, CO 80261