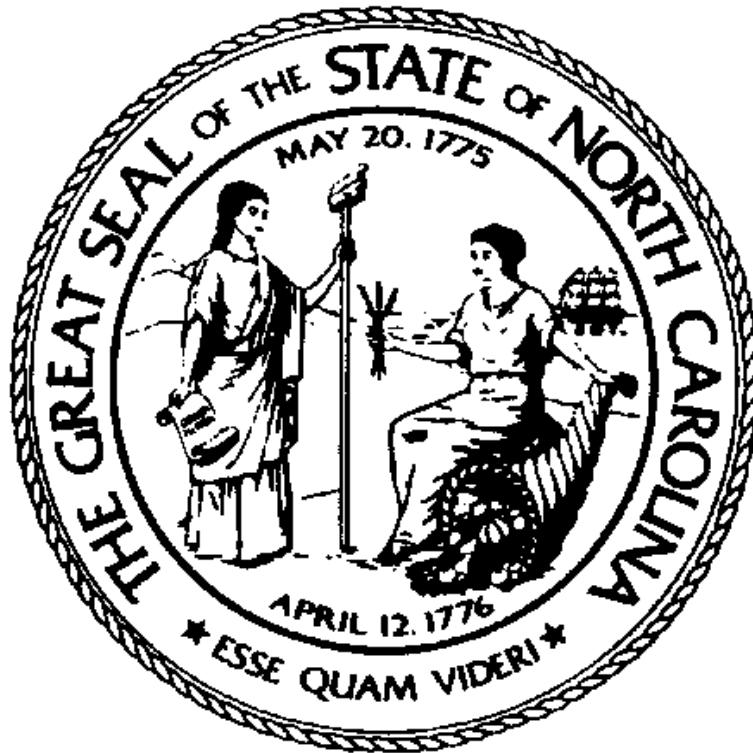


**STATE TAXATION  
AND  
NONPROFIT ORGANIZATIONS**



**NORTH CAROLINA DEPARTMENT OF REVENUE**

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# **SECTION ONE: STATE TAXATION AND NONPROFIT ORGANIZATIONS**

## **INTRODUCTION**

This publication is designed to provide nonprofit organizations with guidance regarding their filing and reporting obligations to the North Carolina Department of Revenue ("Department") for tax purposes.

This publication addresses the following subjects:

1. The Requirements for Tax Exemption or Tax Refund
2. The Filing Requirements for Nonprofit Organizations
3. Frequently Asked Questions

***The terms "nonprofit" and "tax-exempt" are not synonymous.*** Not all nonprofit organizations are tax-exempt. The fact that an organization may be organized and operated as a nonprofit under applicable state law does not establish tax exemption for the organization. To qualify for tax exemption, an organization must meet specific federal and state guidelines.

Federal income tax exemption for organizations is provided in Section 501 of the Internal Revenue Code ("Code"). To qualify for federal income tax exemption under this section of the Code, the organization must be a corporation, community chest, fund, or foundation. A trust is a fund or foundation and will qualify. However, an individual or a partnership will not qualify. The organization or corporation must be organized for one or more of the purposes designated in the Code. Code § 501(c) lists several types of tax-exempt organizations and the purposes under which the organizations must be organized in order to qualify for federal income tax exemption.

Code § 501(c)(3) lists the most common tax-exempt organizations . These organizations may be established for the following purposes: religious, educational, charitable, scientific, literary, testing for public safety, fostering certain national or international amateur sports competitions, or prevention of cruelty to children or animals. For a nonprofit corporation to qualify for a Code § 501(c)(3) exemption status, it must include and abide by the requisite statement of purpose in its articles of incorporation. Also, the corporation must submit to the Internal Revenue Service, ("IRS"), Form 1023, "Application for Recognition of Exemption." Contributions made to organizations that have been approved for tax exemption by the IRS under Code § 501(c)(3) are deductible by the donor as "charitable contributions" as defined in Code Section 170(c).

The following is a list of publications available from the IRS regarding federal income tax exemption that may be obtained by either calling or writing the IRS (see Directory).

- i. [Publication 557](#), Tax-Exempt Status for Your Organization
- ii. [Publication 598](#), Tax on Unrelated Business Income of Exempt Organizations
- iii. [Publication 892](#), How to Appeal an IRS Decision on Tax-Exempt Status

**SECTION TWO:**  
**FRANCHISE AND CORPORATE INCOME**  
**TAX**  
**G.S. §§ 105-125(a) and 105-130.11**

## **2.1: NONPROFIT CORPORATIONS ORGANIZED IN NORTH CAROLINA**

For nonprofit corporations organized under Chapter 55A of the North Carolina General Statutes, there is no formal application or fee required to obtain a State franchise and income tax exemption. The process begins when the organization incorporates with the North Carolina Secretary of State. After a nonprofit corporation is registered with the Secretary of State, the corporation can determine whether or not it should seek a letter of exemption from the Department. A corporation that wishes to obtain a letter of exemption must provide a copy of its Articles of Incorporation, Bylaws, and Federal Determination Letter (if applicable) to the Department. The Department will evaluate the documents and issue a determination letter advising the corporation of its tax status and any filing requirements. Under North Carolina law, organizations that are exempt from federal income tax under the Code are exempt from the corporate income tax imposed under G.S. 105-130.3 on income that is not unrelated business income as defined in Code Section 512. In addition, except as otherwise provided by North Carolina law, an organization that is qualified for exemption from federal income tax under the Code is also exempt from the franchise taxes imposed under Article 3 of the North Carolina Revenue Law. (See [N.C. Gen. Stat. § 105-125](#))

The Department does not issue "exempt numbers" for franchise and corporate income tax purposes, but it does issue letters of tax exemption. The nonprofit corporation should use its federal identification number to file North Carolina franchise and corporate income tax returns.

**Important.** Except as provided by North Carolina tax law, a nonprofit corporation that does not request a tax-exempt letter from the Department is considered subject to franchise and corporate income tax. The nonprofit corporation must make available any records the Department considers necessary to determine and verify whether or not the corporation is subject to tax.

## **2.2: UNINCORPORATED ENTITIES AND ENTITIES ORGANIZED OUTSIDE NORTH CAROLINA**

Entities organized outside North Carolina and unincorporated entities that desire a tax-status ruling should make a request by letter accompanied by a copy of the Bylaws, Constitution, or other organizational documents. To qualify for tax-exempt status, the organization's Constitution, Bylaws, or Articles of Incorporation must include the following provisions:

- i. Entity is organized exclusively for one or more of the purposes specified in Section 501(c)(3) of the Code of 1986 or any successor section, including for such purposes, the making of distributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the Code of 1986.
- ii. No part of the net earnings of the organization shall inure to the benefit of its members, directors, officers, or other persons except that the organization shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the exempt purposes of the organization.
- iii. In the event of dissolution, the residual assets of the organization will be turned over to one or more organizations with similar purposes which are exempt as organizations described in Section 501(c)(3) of the Code of 1986.

## **2.3: FILING REQUIREMENTS**

The IRS requires tax-exempt organizations with gross receipts greater than \$25,000 to file an information only return (Federal Form 990) even if the organization has no taxable unrelated business income. A copy of Form 990 is not required to be filed with the Department.

An organization's letter of tax exemption will state whether or not the nonprofit corporation is required to file franchise and corporate income tax returns with the Department. Any questions concerning the filing of returns should be referred to the Corporate Tax Unit of the Taxpayer Assistance Division.

### ***Unrelated Income Tax Filed on CD-405 [G.S. 105-130.11(b), (c)]***

Tax-exempt organizations are required to report unrelated business income under [N.C. Gen. Stat. § 105-130.11\(b\) or \(c\)](#). Tax-exempt organizations with unrelated business income must complete the income tax schedules of the North Carolina Franchise and Corporate Income Tax Return (Form CD-405) and file the return by the 15th day of the fifth month after its year end and pay tax at the statutory corporate rate. Tax-exempt organizations required to file a return to report unrelated business income are not subject

to the franchise tax imposed under N.C. Gen. Stat. § 105-122 and should not complete the franchise tax schedules of Form CD-405. For more specific information on what constitutes unrelated business income for a tax-exempt organization, refer to the [Internal Revenue Service Publication 598](#), Tax on Unrelated Business Income of Exempt Organizations.

**SECTION THREE:  
SALES AND USE TAX  
G.S. §§ 105-164.4, 105-164.4G, 105-164.6,  
105-164.13, and 105-164.14**

### **3.1: PURCHASES BY NONPROFIT ORGANIZATIONS**

Sales of taxable tangible personal property, digital property, and services to nonprofit organizations and institutions are subject to State and applicable local and transit rates of sales or use tax when such property is purchased for use or consumption. North Carolina law does not exempt nonprofit organizations from payment of sales and use tax on items they purchase for use. However, [G.S. 105-164.14\(b\)](#) provides for semiannual refunds of sales and use tax paid by **qualified** organizations and institutions described therein on direct purchases of tangible personal property, digital property, and services for use in carrying out their nonprofit work. This refund is not to include sales tax remitted on taxable sales made by such organizations and institutions.

When an organization or institution (including a nonprofit organization) purchases taxable items for use from a North Carolina supplier or a registered out-of-state supplier who charges the State and applicable local and transit rates of sales or use tax, the organization must pay the tax to the supplier. Any organization making purchases of taxable items from an out-of-state supplier who does not collect the State and applicable local and transit rates of sales or use tax is required to register with the Department (if not already registered for the purpose of remitting tax on retail sales), file a sales and use tax return, and remit the use tax due on the purchases. An organization that does not owe tax for a given period must file a return reflecting (\$0.00) on the "Total Due" line. To register, the organization must utilize the [Online Business Registration Portal](#) or submit to the Department Form NC-BR, Business Registration Application for Income Tax Withholding, Sales and Use Tax, and Machinery and Equipment Tax found on the Department's website. There is no fee for registering.

### **3.2: SALES BY NONPROFIT ORGANIZATIONS**

Nonprofit entities registered for sales and use tax purposes may purchase tangible personal property for resale without paying tax to their suppliers provided they have

furnished the suppliers a properly executed [Form E-595E, Streamlined Sales and Use Tax Agreement Certificate of Exemption](#). The Streamlined Sales and Use Tax Agreement Certificate of Exemption may not be used by a nonprofit entity in making purchases of items to be used or consumed by such entity. A penalty of \$250.00 can be assessed when a purchaser issues a Form E-595E in connection with a purchase of an item that is purchased for use or consumption, and not for resale.

Qualifying nonprofit entities making annual fundraising sales of tangible personal property, taxable digital property, and taxable services are exempt from collecting sales tax if the sales meet the exemption provisions set out in [G.S. 105-164.13\(31a\), \(34\), and \(35\)](#).

A nonprofit entity should collect sales tax on the gross receipts it derives from admission charges to an entertainment activity unless one of the exemptions listed in [G.S. 105-164.4G\(f\)](#) apply. At the time of this publication, the following gross receipts derived from an admission charge to an entertainment activity are specifically exempt from tax:

- i. The portion of a membership charge that is deductible as a charitable contribution under section 170 of the Internal Revenue Code.
- ii. A donation that is deductible as a charitable contribution under section 170 of the Internal Revenue Code.
- iii. Charges for an amenity. If charges for amenities are separately stated on a billing document given to the purchaser at the time of the sale, then the tax does not apply to the separately stated charges for amenities. If charges for amenities are not separately stated on the billing document given to the purchaser at the time of the sale, then the transaction is a bundled transaction and taxed in accordance with [G.S. 105-164.4D](#) except that G.S. 105-164.4D(a)(3) does not apply.
- iv. An event that is sponsored by an elementary or secondary school. For purposes of this exemption, the term “school” is an entity regulated under Chapter 115C of the General Statutes.
- v. An event sponsored solely by a nonprofit entity that is exempt from tax under Article 4 of Chapter 105 of the General Statutes if all of the following conditions are met:
  - a. The entire proceeds of the activity are used exclusively for the entity’s nonprofit purposes.
  - b. The entity does not declare dividends, receive profits, or pay salary or other compensation to any member or individuals.
  - c. The entity does not compensate any person for participating in the event, performing in the event, placing in the event, or producing the event. For purposes of this subdivision, the term “compensation” means any remuneration included in a person’s gross income as defined in section 61 of the Internal Revenue Code.

If a nonprofit organization makes taxable retail sales, it must obtain a Certificate of Registration by registering online through the [Online Business Registration Portal](#) or by submitting Form NC-BR, Business Registration Application for Income Tax Withholding, Sales and Use Tax, and Machinery and Equipment Tax. The nonprofit organization must collect and remit the tax due on such taxable retail sales unless the sales are specifically exempt by statute. There is no fee for registering. The tax remitted to the Department by the nonprofit organization on retail sales should not be included in its refund claim. For more information on both taxable and exempt sales by nonprofit organizations, refer to [Sales and Use Tax Technical Bulletin, Section 17-1](#) which can be obtained from the Taxpayer Assistance Division of the Department or from the Department's website (see front cover).

### **3.3: REFUND PROVISIONS**

A nonprofit organization eligible for refund under the provisions of G.S. 105-164.14(b) should file a [Form E-585, Nonprofit and Governmental Entity Claim for Refund State, County, and Transit Sales and Use Taxes](#). The nonprofit organization should include sales or use tax paid to vendors, use tax accrued and remitted to the Department, and certain tax indirectly paid per contractors' statements on the refund claim. County and transit sales or use taxes shall be separately stated on the claim for refund. If more than one county's tax has been paid, [Form E-536R, Schedule of County Sales and Use Taxes for Claims for Refund](#), shall be completed and attached to the claim showing the amount of each county's tax separately. Refund claims shall be substantiated by proper documentary proof and only the taxes actually paid by the claimant during the period for which the claim for refund is filed may be included in the claim.

In order to receive a determination as to whether an organization qualifies for tax refunds, a nonprofit entity must furnish the Department its Federal Employer Identification Number (EIN), a copy of the entity's determination letter (501(c)(3) letter) issued by the Internal Revenue Service, and the organization's National Taxonomy of Exempt Entities (NTEE) Code. An Exempt Organizations Master Listing by state, which lists the NTEE codes for many organizations, can be found at <http://www.irs.gov/Charities-&-Non-Profits/Exempt-Organizations-Business-Master-File-Extract-EO-BMF>. If the organization is not incorporated, it should furnish a copy of its Bylaws, Constitution, or other organizational documents.

Claims for refund are filed semiannually. The claim for refund of sales and use taxes paid during the first semiannual period (January 1 through June 30) is due to be filed by October 15 of the same year. The claim for refund for the second semiannual period (July 1 through December 31) is due to be filed by April 15 of the following year. Claims for refund which are filed more than three years after the due date are barred by statute.

Effective July 1, 2014, the State sales and use tax aggregate annual refund amount for a fiscal year for a nonprofit entity must not exceed \$31,700,000 (total for both six month periods). Effective July 1, 2014, the Food, County, and Transit sales and use tax



aggregate annual refund amount for a fiscal year for a nonprofit entity must not exceed \$13,300,000 (total for both six month periods). Each cap applies separately.

Taxes paid on any of the following items are nonrefundable: Electricity, piped natural gas, telecommunications and ancillary services, video programming, prepaid meal plans; the purchase, lease, or rental of motor vehicles; local occupancy or local prepared food and beverage taxes; scrap tire disposal or white goods disposal taxes; reimbursements for travel expenses; alcoholic beverages; and digital property.

A nonprofit institution or organization may file a claim for refund pending the Department's determination of the organization's eligibility to receive refunds. For more information on refunds to nonprofit institutions or organizations, see [Sales and Use Tax Technical Bulletin, Section 17-2](#).

**SECTION FOUR:  
PROPERTY TAX  
G.S. §§ 105-278.3 through 105-278.8**

## **4.1: FILING REQUIREMENTS**

The North Carolina General Statutes require all property to be subject to ad valorem taxation unless specifically exempt or excluded from such taxation in the Machinery Act or in the Constitution. Under G.S. 105-282.1(a), every owner of property claiming exemption or exclusion from property taxes under the provisions granting such benefit has the burden of establishing that the property is entitled thereto. Therefore, a nonprofit organization, which claims exemption or exclusion from the property tax on its property, must file a complete and thorough application to enable the assessor to determine whether the property falls within the strict definition of the exemption or exclusion for which application has been made.

The Machinery Act states all property must be subject to ad valorem taxation unless specifically exempted or excluded from such taxation by statute. All taxpayers claiming an exemption or exclusion are required to annually file an application for the benefit requested unless otherwise provided in G.S. 105-282.1(a). However, a number of the property classes have been granted special application requirements and do not have to file annual applications. Nonprofit organizations, such as religious and educational institutions, are included in the category that requires the owner to file an initial application; and, after approval, the owner is not required to file an application in the subsequent years except in the following circumstances:

- i. “New or additional property is acquired or improvements are added or removed, necessitating a change in the valuation of the property; or

- ii. There is a change in the use of the property or the qualifications or eligibility of the taxpayer necessitating a review of the exemption or exclusion.” G.S. 105-282.1(a)(3).

The taxpayer has the responsibility of notifying the assessor of any change listed above by filing a new application during the listing period immediately following the year in which the change occurred. If the new application indicates that the property no longer qualifies for exemption or exclusion, the property must be returned to taxable status.

## **4.2: EXCEPTIONS AND EXCLUSIONS**

Following is a partial listing of the exceptions and exclusions as allowed through the statutory provisions of the Machinery Act. Although exclusions are, by statute, not to be listed, appraised, assessed, or taxed, they are also subject to the application provisions of G.S. 105-282.1. Therefore, like exemptions, nonprofit owners of property claiming an exclusion have the burden of establishing that they are entitled to the benefit and must file an application unless otherwise stated in the statute. Exclusions requiring an application should be listed, appraised, assessed, and taxed until the proper application has been filed and approved.

**Please note that these are summary titles of the property classes. Always consult the specific statutory provision to determine all requirements necessary for the particular classes to be eligible for exemption or exclusion.**

### **No Application Required**

- i. G.S. 105-275(5) & G.S. 105-275(5a) – Vehicles for Disabled Veterans
- ii. G.S. 105-275(15) Standing Timber and Forest Growth
- iii. G.S. 105-275(16) Non-business Property
- iv. G.S. 105-275(26) Tangible Personal Property Manufactured for Nonresidential Customer
- v. G.S. 105-275(31) Intangible Personal Property other than Leasehold Interest in Exempt Property
- vi. G.S. 105-275(31e) Affordable Housing
- vii. G.S. 105-275(32a) Inventories Owned by Contractors
- viii. G.S. 105-275(33) Inventories Owned by Manufacturers
- ix. G.S. 105-275(34) Inventories Owned by Retail and Wholesale Merchants
- x. G.S. 105-275(37) Poultry and Livestock and Feed Used in Production of Poultry and Livestock
- xi. G.S. 105-275(40) Computer Software
- xii. G.S. 105-275(42) Vehicle Offered at Retail for Short-Term Lease or Rental
- xiii. G.S. 105-275(42a) Gross Receipts Tax on Heavy Equipment
- xiv. G.S. 105-274(44) Free Samples of Drugs
- xv. G.S. 105-278.1 Government Owned
- xvi. G.S. 105-278.2 Cemeteries

### Initial Application Only Required

i.	G.S. 105-275(3)	Nonprofit Water and Sewer Associations
ii.	G.S. 105-275(7)	Public Parks and Drives
iii.	G.S. 105-275(8)	Pollution Abatement and Recycling Property
iv.	G.S. 105-275(12)	Protected Natural Area
v.	G.S. 105-275(17)	Veterans Organizations
vi.	G.S. 105-275(18)	Masonic Orders
vii.	G.S. 105-275(19)	Fraternal and Civic Orders
viii.	G.S. 105-275(19a)	Social Fraternities, Sororities, Similar Organizations
ix.	G.S. 105-275(20)	Goodwill Industries
x.	G.S. 105-275(35)	Severable Development Rights
xi.	G.S. 105-275(39)	Nonprofit Corporation Property Used for Public Purpose
xii.	G.S. 105-275(39a)	Correctional Facility on Land Owned by the State
xiii.	G.S. 105-275(45)	Solar Energy Electric System
xiv.	G.S. 105-277(h)	Private Water Companies
xv.	G.S. 105-277.1	Elderly and Disabled Exclusion
xvii.	G.S. 105-277.1b	Circuit Breaker
xviii.	G.S. 105-277.1c	Disabled Veteran (First \$45,000 in value)
xix.	G.S. 105-277.8	Property of Homeowners' Association
xx.	G.S. 105-277.10	Precious Metals
xxi.	G.S. 105-277.13	Improvement on Brownfields
xxii.	G.S. 105-277.14	Waterfront Property
xxiii.	G.S. 105-277.15	Wildlife Conservation Land
xxiv.	G.S. 105-277.15a	Site Infrastructure Land
xxv.	G.S. 105-277.17	Community Land Trust Property
xxvi.	G.S. 105-278	Historic Property
xxvii.	G.S. 105-278.3	Religious Property
xxviii.	G.S. 105-278.4	Educational Property
xxix.	G.S. 105-278.5	Religious and Educational Assemblies
xxx.	G.S. 105-278.6	Charitable Purposes
xxxi.	G.S. 105-278.6a	Retirement Facility
xxxii.	G.S. 105-278.7	Educational-Scientific-Literary-Charitable Property
xxxiii.	G.S. 105-278.8	Charitable Hospitals

### Annual Application

i.	G.S. 105-275(2)	Tangible Personal Property Imported from a Foreign Country
ii.	G.S. 105-275(6)	Special Nuclear Materials
iii.	G.S. 105-275(14)	Motor Vehicle Chassis Non-Residents
iv.	G.S. 105-275(23)	Tangible Personal Property Imported and Held in Foreign Trade Zone
v.	G.S. 105-275(24)	Cargo Containers and Container Chassis for Transportation of Cargo Vessels in Ocean Commerce
vi.	G.S. 105-274(24a)	Aircraft Owned or Leased by an Interstate Air Courier

- vii. G.S. 105-275(25) Tangible Personal Property Shipped into the State for Repair
- viii. G.S. 105-275(29) Non-Profit Historic Preservation Real Property and Easements
- ix. G.S. 105-275(29a) Historic District
- x. G.S. 105-275(43) Property Subject to Capital Lease Pursuant to G.S.105C-531
- xi. G.S. 105-275(46) Charter Schools
- xii. G.S. 105-277.9 & 9a Roadway Corridors
- xiii. G.S. 105-277.110 Development Financing District Agreement
- xiv. G.S. 105-277.12 Antique Airplanes
- xv. G.S. 105-277.16 Low-Income Housing
- xvi. G.S. 105-277.02 Builders Inventory

**SECTION FIVE:  
MOTOR FUELS TAX  
G.S. § 105-449.106**

**5.1: TAXABLE PURCHASES**

Article 36C of the North Carolina Revenue Law imposes a tax on motor fuel to provide revenue for the State's transportation needs and for the other purposes listed in Part 7 of the Article. The tax is collected from the supplier or importer of the fuel because this method is the most efficient way to collect the tax. However, the tax is designed to be paid ultimately by the person who consumes the fuel. The tax becomes a part of the cost of the fuel and is consequently paid by those who subsequently purchase and consume the fuel. Under the provisions of G.S. 105-449.106, certain nonprofit organizations that purchase and use motor fuel may receive a quarterly refund for the excise tax paid during the preceding quarter at a rate equal to the tax rate in effect under G.S. 105-449.80 for the time period for which the refund is claimed, less one cent per gallon. The following entities may receive a refund under this section:

- i. A private, nonprofit organization that transports passengers under contract with or at the express designation of a unit of local government.
- ii. A volunteer fire department.
- iii. A volunteer rescue squad.
- iv. A sheltered workshop recognized by the Department of Health and Human Services.

An application for a refund allowed under this section must be signed by the chief executive officer of the entity. The chief executive officer of a nonprofit organization is the president of the organization or another officer of the organization designated in the charter or bylaws of the organization. (*See Refund Provisions*)

## **5.2: REFUND PROVISIONS**

A nonprofit institution or organization eligible for a refund of excise taxes under the provisions of G.S. 105-449.106 should complete Form GAS-1200, Motor Fuels Claim for Refund Nonprofit Organizations. All initial refund applications must be substantiated by proper documentary proof. Any applicant must submit with its application a copy of its corporate charter, a copy of the qualifying contract with a governmental entity, and a copy of the minutes from one of its meetings. Only the taxes actually paid by the claimant during the period for which the claim for refund is filed may be included in the claim.

An application for a quarterly refund of excise tax is due by the last day of the month following the end of the calendar quarter for which the refund is claimed. The application must state that the applicant has paid for the fuel for which a refund is claimed or that payment for the fuel has been secured to the seller's satisfaction. The claim for refund of excise taxes paid during the first quarter (January 1 through March 31) is due to be filed by April 30. The claim for refund for the second quarter (April 1 through June 30) is due to be filed by July 31. The claim for refund for the third quarter (July 1 through September 30) is due to be filed by October 31. The claim for refund for the last quarter (October 1 through December 31) is due to be filed by January 31 of the following year.

An application for refund filed more than three years after the date the application is due is barred by statute (G.S. 105-449.108).

If you need assistance with completing and filing the application, you may contact a local Revenue Field Office or call the Excise Tax Division at the toll-free number (877) 308-9092. Any written correspondence should be mailed to:

North Carolina Department of Revenue, Excise Tax Division, Post Office Box 25000, Raleigh, NC 27640-0950.

## **SECTION SIX: WITHHOLDING TAX**

**[G.S. §§ 105-163.1 through 105-163.10](#)**

## **6.1: GENERAL PROVISIONS**

The North Carolina General Statutes require employers to withhold income tax from wages paid to all residents regardless of where earned and from wages paid to nonresidents for personal services performed in North Carolina. An employer is any person or organization for whom an individual performs any service as an employee. The term includes federal, state, and local government agencies as well as religious, charitable, educational and other nonprofit organizations even though they may be exempt for other tax purposes.

If in the course of your trade or business you pay compensation of more than \$1,500 during the calendar year to a nonresident contractor for personal services performed in North Carolina, you must withhold North Carolina income tax at the rate of four percent (4%) from the compensation. A nonresident contractor is a nonresident individual who performs or a nonresident entity that provides for the performance in North Carolina for compensation other than wages of any personal services in connection with a performance, an entertainment or athletic event, a speech or the creation of a film, radio, or television program. However, tax is not required to be withheld from a nonresident tax-exempt organization, provided you obtain and keep on record documentation of the corporation's exemption from tax, such as a copy of the organization's federal determination letter of tax exemption or a copy of a letter of tax exemption from the Department of Revenue.

If in the course of your trade or business you pay compensation other than wages of more than \$1,500 during the calendar year to a contractor whose taxpayer identification number is an Individual Taxpayer Identification Number (ITIN) for services performed in North Carolina, you must withhold North Carolina income tax at the rate of 4% from the compensation. However, the 4% tax is not required to be withheld if the compensation is subject to wage withholding, the compensation is paid to an ordained or licensed member of the clergy, the compensation is paid to an entity that is exempt from corporate income tax under G.S. 105-130.11, or the compensation is paid to an ITIN holder who is temporarily admitted to the United States to perform agricultural labor or services under an H-2A visa and who is not subject to federal income tax withholding under section 1441 of the Code. An ITIN is issued by the IRS to a person who is required to have a taxpayer identification number but does not have and is not eligible to obtain a social security number. An ITIN is a nine-digit individual taxpayer identification number. The first digit in an ITIN is 9. For ITINs issued before April 12, 2011, the fourth and fifth digits had a range of 70-88. For ITINs issued on or after April 12, 2011, the range of the fourth through ninth digits includes 70-0000 through 88-9999, 90-0000 through 92-9999, and 94-0000 through 99-9999.

A pension payer required to withhold federal tax under Section 3405 of the IRC on a pension payment to a North Carolina resident must also withhold State income tax from the pension payment.

## **6.2: FILING REQUIREMENTS**

Each new employer who is required to withhold North Carolina income tax must obtain a withholding identification number from the Department by filing Form NC-BR, Business Registration Application for Income Tax Withholding, Sales and Use Tax, and Machinery and Equipment Tax. The identification number will be used on all reports and correspondence concerning withholding. Amounts withheld are considered held in trust until paid to the Department. Due dates for reporting and paying the tax depends on the amount of tax withheld each month. Employers withholding less than \$250 per month report and pay the tax quarterly. Employers who average withholding of at least \$250 but

less than \$2,000 per month report and pay monthly. Employers who average withholding \$2,000 or more per month make payments on the dates federal deposits are required and file quarterly reports.

If you are required to withhold on non-wage compensation paid to nonresident contractors or ITIN holders and you do not already have a withholding account identification number, you must complete Form NC-BR. You must report and pay the tax withheld on a quarterly, monthly or semiweekly basis depending on the average amount withheld during the month, using the same thresholds as for wage withholding. However, if you withhold from both non-wage and wage compensation, you must report the non-wage withholding with the wage withholding.

If you are required to withhold State tax on a pension payment to a North Carolina resident and you do not already have a withholding account identification number, you must complete Form NC-BR. You must report and pay the tax withheld on a quarterly, monthly or semiweekly basis depending on the average amount withheld during the month, using the same thresholds as for wage withholding. However, if you withhold on pension payments and wage compensation, you may choose to treat withholding from pension payments like the wage withholding and report the pension payment withholding with the wage withholding. If you choose to report the withholding from pensions separately, you must file Form NC-BR to receive a separate account identification number. You will receive separate forms for paying the tax withheld from pensions.

For full details on procedures for reporting and paying North Carolina income tax withholding, see the Income Tax Withholding Tables and Instructions for Employers (Form NC-30).

## ***SECTION SEVEN: FREQUENTLY ASKED QUESTIONS***

### **7.1: FRANCHISE AND CORPORATE INCOME TAX**

#### **1. How does my nonprofit organization apply for (or obtain) tax-exempt status?**

Send to the Department a copy of your Articles of Incorporation and Bylaws (if incorporated) or your Bylaws, Constitution, or other organizational documents (if not incorporated) and a copy of your Federal Determination Letter (if obtained). These documents should be sent to:

North Carolina Department of Revenue  
Taxpayer Assistance Division  
Corporate Tax Unit  
Post Office Box 871  
Raleigh, NC 27602-0871

**2. What does the Department look for in determining the tax status?**

The Department reviews the purpose of the organization (how it is operating and what it is doing), where the money is coming from or how it is being used (net earnings provision), and how money will be distributed when the organization dissolves (dissolution provision).

**3. Does the Department assign a tax-exempt number?**

No. The Department does not issue tax-exempt numbers. Upon receipt and review of the nonprofit organization's Articles of Incorporation and Bylaws, the Department will issue a letter indicating the organization's tax status in North Carolina ("tax-exempt letter").

**4. My nonprofit organization received a tax-exempt letter several years ago from the Department. Can I get a copy of my tax-exempt letter?**

Yes. If an organization received a tax-exempt letter from the Department, a copy of the tax-exempt letter can be obtained from the Department. The organization must submit a written request for a copy of the letter to:

North Carolina Department of Revenue  
Taxpayer Assistance Division  
Corporate Tax Unit  
Post Office Box 871  
Raleigh, NC 27602-0871

**5. My nonprofit corporation has been suspended. How do I get it reinstated?**

Generally, a nonprofit corporation is suspended by the Department for one of the following reasons:

- i. Failure to file a copy of Articles of Incorporation and Bylaws
- ii. Failure to file additional requested information
- iii. Failure to file a copy of the Federal Determination Letter
- iv. Failure to file a tax return to report unrelated income

If a nonprofit corporation has been suspended for one of the reasons listed above, the corporation must provide the information requested and pay a \$25.00 reinstatement fee to have its suspension lifted. If the corporation does not qualify for tax exempt status, all delinquent franchise and corporate income tax returns must be filed and any tax, penalties, and interest must be paid before the reinstatement can occur.



**6. What do I need to conduct a raffle or bingo?**

For a nonprofit organization to conduct bingo games, it must apply for a license through the Department of Public Safety. In order to obtain a license, the organization must be tax-exempt and submit a copy of its tax-exempt letter from the IRS and from the North Carolina Department of Revenue. There is no formal registration required for a nonprofit organization to conduct a raffle. However, the nonprofit organization must have obtained a tax-exempt letter from the North Carolina Department of Revenue and must display it where the raffle is conducted.

**7. Do I need a Federal Determination Letter stating that my organization is tax-exempt in order to be exempt for North Carolina tax purposes?**

No. However, North Carolina follows the IRC and if you are tax-exempt for federal income tax purposes, your organization would qualify for exemption with North Carolina. You can apply for the federal tax exemption and North Carolina tax exemption simultaneously.

**8. What happens if the Department issues a tax-exempt letter and later the IRS denies the organization's request for federal tax exemption?**

The Department would consider the organization's North Carolina tax exemption revoked and require them to file tax returns as if the organization had been a taxable entity from the date of incorporation.

**9. Do property owners' associations qualify for exemption from franchise and corporate income tax?**

Under G.S. 105-125(a)(8) and G.S. 105-130.11(a)(11), the exemption for homeowners' or property owners' associations is restricted to residential property only. Associations made up of commercial property (ex. office parks or shopping centers) do not qualify for exemption.

**10. My tax-exempt organization is required to file a North Carolina Franchise and Corporate Income Tax Return (Form CD-405) to report unrelated business income. Is my organization required to complete the franchise tax schedules and submit franchise tax with the return?**

No. Except as otherwise provided by North Carolina Revenue Law, an organization that is qualified for exemption from federal income tax under the Code is exempt from the franchise taxes imposed under Article 3 of the North Carolina Revenue Law. [G.S. 105-125(a)(9)].

**11. A nonprofit organization is a political organization as described in Section 527(f)(3) of the Code. The organization is required by the IRS to file federal Form 1120-POL to report its taxable income. Are there any reporting or filing requirements in North Carolina for political organizations?**

Yes. A political organization is taxable at the corporate rate on net income not related to its exempt function pursuant to Section 527(c) of the Code. Therefore, a political organization which is required to file and report taxable income with the IRS on Form 1120-POL, is required to file a North Carolina Franchise and Corporate Income Tax Return (Form CD-405) and submit the income tax due on its taxable income. Tax returns for political organizations are due by the 15<sup>th</sup> day of the fourth month following the close of the income year.

**12. A nonprofit organization is organized and operates as a tax-exempt, nonprofit corporation. Are contributions made to the organization automatically tax deductible?**

No. The contribution must be made to a qualified organization determined to be tax exempt under Code § 501(c)(3) to be tax deductible. North Carolina Revenue Law provides that only charitable contributions as defined in Section 170(c) of the Code are allowed as a deduction. To become a qualified organization, most organizations, other than churches and governments, must apply to the Internal Revenue Service.

## **7.2: SALES AND USE TAX**

**1. Do nonprofit organizations have to pay sales or use tax on items they purchase for use?**

Yes. North Carolina does not exempt nonprofit organizations from paying sales or use tax on items they purchase for use.

**2. Are all nonprofit organizations eligible for refunds of the sales and use taxes paid?**

No. [G.S. 105-164.14\(b\)](#) provides the nonprofit entities that may file for semiannual refunds of the sales and use taxes paid on purchases of tangible personal property for use in carrying on their nonprofit work. At the time of this publication, those nonprofit entities include:

- i. Hospitals not operated for profit, including hospitals and medical accommodations operated by an authority or other public hospital described in Article 2 of Chapter 131E of the General Statutes.
- ii. An organization that is exempt from income tax under section 501(c)(3) of the Code, other than an organization that is properly classified in any of the following major group areas of the National Taxonomy of Exempt Entities:
  - a. Community Improvement and Capacity Building.
  - b. Public and Societal Benefit.
  - c. Mutual and Membership Benefit.

- iii. Volunteer fire departments and volunteer emergency medical services squads that are one or more of the following:
  - a. Exempt from income tax under the Code.
  - b. Financially accountable to a city as defined in G.S. 160A-1, a county, or a group of cities and counties.
- iv. An organization that is a single member LLC that is disregarded for income tax purposes and satisfies all of the following conditions:
  - a. The owner of the LLC is an organization that is exempt from income tax under section 501(c)(3) of the Code.
  - b. The LLC is a nonprofit entity that would be eligible for an exemption under 501(c)(3) of the Code if it were not disregarded for income tax purposes.
  - c. The LLC is not an organization that would be properly classified in any of the major group areas of the National Taxonomy of Exempt Entities listed in subdivision ii.
- v. Qualified retirement facilities whose property is excluded from property tax under G.S. 105-278.6A.
- vi. A university affiliated nonprofit organization that procures, designs, constructs, or provides facilities to, or for use by, a constituent institution of The University of North Carolina. For purposes of this section, a nonprofit organization includes an entity exempt from taxation as a disregarded entity of the nonprofit organization.

**3. What information does the Department of Revenue need to determine whether an organization qualifies for sales and use tax refunds?**

A nonprofit organization must furnish the Department of Revenue with a copy of its determination letter issued by the Internal Revenue Service (501(c)(3) letter). In some cases, the Department may request a copy of the organization's Articles of Incorporation. If the organization is not incorporated, it should furnish a copy of its Bylaws, Constitution, or whatever documents were used to create the organization.

**4. An organization has a Section 501(c)(3) Federal exempt status. Does the organization automatically qualify to receive sales and use tax refunds?**

No, but most organizations that have Section 501(c)(3) exempt status do qualify for refunds.

**5. Can an organization file a claim for refund before the Department of Revenue determines that the organization qualifies to receive sales and use tax refunds?**

Yes. The organization may file a claim for refund before the Department makes a determination concerning the organization's eligibility to receive sales and use tax refunds. To assist the Department in making the determination in a timely and efficient manner, a copy of the determination letter issued by the Internal Revenue Service and copies of the documents that were used to create the organization should be attached to the initial claim for refund.

**6. How does an organization file a claim for refund?**

The organization should complete [Form E-585, Nonprofit and Governmental Entity Claim for Refund State, County, and Transit Sales and Use Taxes](#). The form(s) should be mailed to:

North Carolina Department of Revenue  
Taxpayer Assistance Division  
Sales and Use Tax Unit  
Post Office Box 25000  
Raleigh, NC 27640-0001

**7. Who can offer assistance if I have trouble completing Form E-585?**

A completed sample form and more detailed instructions are available on our website at [www.dorn.com/downloads/e585\\_example.pdf](http://www.dorn.com/downloads/e585_example.pdf). You may also contact any local field office or call the Department's Taxpayer Assistance Call Center at 1-877-252-3052. Any written correspondence should be mailed to the address in Question 6.

**8. How often do I file Form E-585?**

Claims for refund are filed semiannually. The claim for refund of the sales and use taxes paid during the period January 1 through June 30 is due to be filed by October 15 of the same year. The claim for refund for the period July 1 through December 31 is due to be filed by April 15 of the following year.

**9. What if the organization's claim for refund is filed late?**

Claims for refund filed more than three years after the due date are barred by statute.

**10. Should the receipts or invoices be mailed with the organization's claim for refund?**

No. However, receipts and invoices should be kept for a period of three years beyond the date the refund claim is due to be filed or three years beyond the date the claim is filed, whichever is later.

**11. What taxes should not be included on a claim for refund?**

Tax paid on any of the following items are nonrefundable: electricity, piped natural gas, telecommunications and ancillary services, video programming, prepaid meal plans; the purchase, lease, or rental of motor vehicles; local occupancy or local prepared food and beverage taxes; scrap tire disposal or white goods disposal taxes; reimbursements for travel expenses; alcoholic beverages; and digital property.

**12. Is there a maximum refund amount allowed?**

Yes. Effective July 1, 2014, the State sales and use tax aggregate annual refund amount for a fiscal year for a nonprofit entity must not exceed \$31,700,000 (total for both six month periods). Effective July 1, 2014, the Food, County, and Transit sales and use tax aggregate annual refund amount for a fiscal year for a nonprofit entity must not exceed \$13,300,000 (total for both six month periods). Each cap applies separately.

**13. Does a nonprofit organization have to charge sales tax on the items it sells?**

Yes. The organization must charge sales tax unless the sales are specifically exempt by North Carolina statutes (see response to number 15). If the organization is liable for collecting sales or use tax, the organization must register with the Department of Revenue for sales and use tax purposes.

**14. How does an organization register with the Department of Revenue?**

The organization must obtain a Certificate of Registration by registering online through the [Online Business Registration Portal](#) or by submitting Form NC-BR, Business Registration Application for Income Tax Withholding, Sales and Use Tax, and Machinery and Equipment Tax. There is no fee for the Certificate.

**15. Are there any situations in which a nonprofit organization will be exempt from collecting sales tax?**

Yes. However, in order to be able to issue a [Form E-595E, Streamlined Sales and Use Tax Agreement Certificate of Exemption](#) to the supplier, the nonprofit organization must still register with the Department even if the organization is exempt from collecting sales tax. The Streamlined Sales and Use Tax Agreement Certificate of Exemption is furnished by the organization to the organization's vendor as the vendor's authority for not charging tax on the items that will be resold by the organization. Some examples of situations where a nonprofit organization will be exempt from collecting sales tax are:

- i. Sales of food and prepared food by a church or religious organization not operated for profit when the proceeds of the sale are actually used for religious activities pursuant to G.S. 105-164.13(31a). All other sales of tangible personal property by a church or religious organization not operated for profit are subject to sales tax.
- ii. Sales by a nonprofit civic, charitable, educational, scientific or literary organization if the net proceeds of the sales will be given or contributed to the State of North Carolina or to one or more of its agencies or instrumentalities pursuant to G.S. 105-164.13(34).
- iii. Sales by a nonprofit civic, charitable, educational, scientific, literary or fraternal organization if its sales are conducted on an annual basis for the purpose of raising funds for its activities and the proceeds are actually used for such purposes. No sales are exempt, however, if the sales are not actually consummated within 60 days of the first solicitation pursuant to G.S. 105-164.13(35).

**16. When can an organization registered for sales and use tax purposes issue Form E-595E, Streamlined Sales and Use Tax Agreement Certificate of Exemption?**

If an organization is registered with the Department, the organization should execute Form E-595E, Streamlined Sales and Use Tax Agreement Certificate of Exemption, only when purchasing items for resale. The organization will not pay sales tax on the items purchased for resale but will collect tax on the items when sold unless the sales are specifically exempt by statute.

**17. If an organization wants to purchase a personal computer to use, can it issue a Streamlined Sales Tax Agreement Certificate of Exemption when making the purchase?**

No. The Streamlined Sales and Use Tax Agreement Certificate of Exemption should never be issued when purchasing items for use. The Certificate of Exemption is to be issued only when an organization is buying items for resale.

**18. Who can I call if I have more questions concerning exemptions from sales tax?**

You may contact one of our local field offices or telephone the Taxpayer Assistance Call Center at 1-877-252-3052. Any correspondence can be mailed to:

North Carolina Department of Revenue  
Taxpayer Assistance Division  
Post Office Box 25000  
Raleigh, NC 27640-0001

## **7.3: PROPERTY TAX**

**1. A nonprofit organization was recently qualified as tax-exempt by the Department of Revenue. Is the organization automatically exempt from property tax?**

No. There are no automatic exemptions or exclusions from property tax. However, there are provisions within the North Carolina statutes that provide exemptions for certain real and personal property held by nonprofit religious, educational, charitable and scientific organizations. The property must be used for the purposes of the nonprofit organization in order to be exempt from the tax.

**2. How does a nonprofit institution or organization claim exemption (exclusion) from property tax for property it owns?**

Under G.S. 105-282.1, every owner of property claiming an exemption or exclusion from property tax must file an application for the exemption or exclusion during the listing period. The listing period is the month of January unless the County Assessor has granted

the owner an extension to file the personal property return. In this case the extended listing period becomes the listing period. A request for extension to list must be made during the month of January. If the property is appraised by the Department of Revenue, the application should be filed with the Department. Otherwise, the application should be filed with the assessor of the county in which the property is located.

**3. How often does a nonprofit institution or organization need to file the application for the exemption or exclusion from property tax?**

Under G.S. 105-282.1, the application must be filed annually, unless the organization is approved for exemption under G.S. 105-278.3 through 105-278.8 or exclusion under G.S. 105-275(3), (7), (8), (12), (17) through (19), or (39), G.S. 105-277.1, or G.S. 105-278. If the organization is approved for exemption under one of the preceding provisions, it is not required to file an application in subsequent years for the same property unless: a) improvements are added or removed, necessitating a change in the valuation of the property, or b) there is a change in the use of the property.

**4. A nonprofit institution or organization owns rental property. Is the property subject to property tax?**

Yes. Under G.S. 105-278.3 through G.S. 105-278.8, the property must be wholly or exclusively used by its owner for the expressed purpose of the nonprofit organization, or gratuitously occupied and wholly and exclusively used by the occupant for religious, charitable, or nonprofit educational, literary, scientific, or cultural purposes.

**5. A nonprofit organization has just bought a vacant piece of land which it will not use now, but will build a meeting lodge on later. Is the land exempt from property tax?**

No. In order for the property to be exempt, it has to be in use by the organization or used gratuitously by another qualifying organization.

**6. Who can I call if I have more questions concerning exemptions from property tax?**

You may contact the County Assessor's Office in the county where the property is located, or you may call (919) 814-1129 or send any correspondence to:

North Carolina Department of Revenue, Property Tax Division, Post Office Box 871,  
Raleigh, NC 27602-0871

## **7.4: MOTOR FUELS TAX**

- 1. A nonprofit corporation has received an exempt status for franchise and income tax purposes from the Department of Revenue. Does the corporation automatically qualify to receive a refund of road tax due on motor fuels under G.S. 105-449.106?**

No. The fact that an organization may be organized and operated as a nonprofit entity does not automatically qualify the organization for a refund. For example, under the provisions of G.S. 105-449.106(2), the organization must have some agreement with a unit of local government to transport passengers. The law is strictly construed and an organization must comply completely in order to qualify for a refund. All refund applications must be substantiated by proper documentary proof of purchase of fuel and payment of tax. An initial applicant must also submit with its application a copy of its corporate charter or bylaws, a copy of the qualifying contract with a governmental entity, and a copy of the minutes from one of its meetings.

- 2. How does an organization file a claim for refund?**

The organization should complete a Form GAS-1200, Motor Fuels Claim for Refund Nonprofit Organizations, and mail it to:

North Carolina Department of Revenue  
Excise Tax Division  
Post Office Box 25000  
Raleigh, NC 27640-0001

- 3. Should the receipts or invoices be mailed in with the organization's claim for refund?**

Yes. The Excise Tax Division requires copies of the receipts or invoices to be mailed with the organization's application for refund.

- 4. How often do I file Form GAS-1200?**

Applications for refunds are filed quarterly. An application for a quarterly refund of excise tax is due by the last day of the month following the end of the calendar quarter for which the refund is claimed. The application must state that the applicant has paid for the fuel for which a refund is claimed or that payment for the fuel has been secured to the seller's satisfaction. The claim for refund of excise taxes paid during the first quarter (January 1 through March 31) is due to be filed by April 30. The claim for refund for the second quarter (April 1 through June 30) is due to be filed by July 31. The claim for refund for the third quarter (July 1 through September 30) is due to be filed by October 31. The claim for refund for the last quarter (October 1 through December 31) is due to be filed by January 31 of the following year.



## **5. What if the organization's claim for refund is filed late?**

Effective for fuel purchased on or after January 1, 1999, the penalty provisions for late applications for all motor fuel refunds were repealed. However, an application for refund filed more than three years after the date the application is due is barred by statute (G.S. 105-449.108).

## **6. Who can offer assistance if I have trouble completing Form GAS-1200?**

You may contact a local Revenue Field Office or call the Excise Tax Division at telephone number (919) 707-7500. Any written correspondence should be mailed to:

North Carolina Department of Revenue  
Excise Tax Division  
Post Office Box 25000  
Raleigh, NC 27640-0001

# **7.5: WITHHOLDING TAX**

## **1. How do I determine the amount of income tax to withhold from an employee?**

The amount of income tax required to be withheld is based on the employee's filing status, the payroll period; i.e., weekly, biweekly, monthly, etc., the employee's gross wages for the period, and the number of withholding allowances claimed by the employee on Form NC-4, Form NC-4EZ, or Form NC-4 NRA. The withholding tables containing this information are in Form NC-30. The tax withheld can also be computed by using the percentage method or annualized method shown in Form NC-30.

## **2. How do I obtain forms for paying tax withheld?**

You will receive preaddressed forms after registering for withholding. You may also pay online.

## **3. What is the penalty for not filing a withholding return on time or for failure to withhold or pay the tax when due?**

The penalty for failure to file a withholding return is 5 percent of the tax due per month (maximum 25 percent). A penalty of 10 percent of the tax due is required for failure to withhold or pay the tax when due. Interest is due from the time the tax was due until paid.

## **4. Is tax required to be withheld from a nonresident tax-exempt corporation?**

No. However, if tax is not withheld, you must obtain and keep on record documentation of the corporation's exemption from tax, such as a copy of the organization's federal determination letter of tax exemption or a copy of a letter of tax exemption from the Department of Revenue.

**5. Should an employer file a withholding return if he temporarily ceases to pay wages?**

An employer should continue to file a return based on his regular filing frequency even though the employer has no withholding or wages to report. The return should reflect zeros for the reporting period.

**6. What procedures should an employer follow if the employer goes out of business or ceases to pay wages permanently?**

The employer should complete the "Out of Business Notification" contained in the personalized coupon booklet and include it with the final return. Within 30 days of the last payment of wages, the employer should file an annual reconciliation with Departmental copies of the wage and tax statements and give the employees their copies.

**7. Is tax required to be withheld from compensation paid to an ITIN holder performing agricultural labor under an H-2A visa?**

No. Withholding is not required on compensation paid to an ITIN holder who is temporarily admitted to the United States to perform agricultural labor or services under an H-2A visa and who is not subject to federal income tax withholding under section 1441 of the Internal Revenue Code.

***DIRECTORY***

**NORTH CAROLINA STATE GOVERNMENT**

Department of Revenue  
Post Office 25000  
Raleigh, North Carolina 27640-0001

Corporate Tax Exempt Status Issues: Taxpayer Assistance Division  
(877) 919-1819 (Ext.1120322)  
Corporate Tax Questions: Taxpayer Assistance Division (877) 919-1819 (Ext.1120322)  
Sales Tax Questions: Taxpayer Assistance Call Center (877) 252-3052  
Withholding Questions: Taxpayer Assistance Call Center (877) 252-3052

Department of Revenue  
Excise Tax Division  
Post Office Box 25000  
Raleigh, NC 27640-0001  
(919) 707-7500

Department of Revenue  
Property Tax Division  
Post Office Box 871  
501 North Wilmington Street  
Raleigh, North Carolina 27602-0001  
(919) 814-1129

Department of Secretary Of State  
Corporations Division  
Post Office Box 29622  
Raleigh, North Carolina 27626-0622  
(919) 807-2225

Department of Public Safety  
Alcohol Law Enforcement  
4201 Mail Service Center  
Raleigh, North Carolina 27699-4201  
(919) 733-4060

## **FEDERAL GOVERNMENT**

### **Internal Revenue Service Forms and Tax Information:**

(800) 829-3676

### **General Tax Information:**

(800) 829-1040

### **Information for Nonprofits:**

(877) 829-5500

**Requests for Determination of Status as an Exempt Organization (Forms 1023, 1024, 1028, and 8734) and User Fee for Exempt Organization Determination Letter Request (Form 8718) should be mailed to:**

Internal Revenue Service  
Post Office Box 12192  
Covington, Kentucky 41012-0192

**Exempt Organization Letter Rulings should be mailed to:**

Internal Revenue Service  
Attention: EO Letter Rulings  
P.O. Box 27720, McPherson Station  
Washington, DC 20038

Note. Letter Ruling requests, like applications for recognition of exemption, must be accompanied by the appropriate user fee.

**To Inquire on the Status of Determination Letters:**

(877) 829-5500