

Application for Nonprofit Exempt Status—Sales Tax

The Application Process

- We will link your application to your Minnesota Tax ID Number to track the status of your application. If your organization does not have a Minnesota Tax ID Number, we will assign one to you.
- Allow at least 90 days to receive a determination on your application.
- We may request additional information to determine if your organization qualifies for exempt status.

| | | | |
|--|------------------------------------|-------|----------|
| Organization Name | Organization's Web Address, If Any | | |
| Mailing Address | City | State | ZIP Code |
| Main Business Address in Minnesota (If Different From Above) | City | State | ZIP Code |
| Federal Tax ID Number | Minnesota Tax ID Number | | |

Type of Organization (Select One):

- Home School
- Parent-Teacher Association or Booster Club
- Youth Organization
- Senior Citizen Group
- Educational Institution
- Other Educational Organization (Museums, Zoos, Planetariums, Symphony Orchestras, Historical Societies)
- Religious Organization and Affiliated Religious Organization
- Charitable Organization

Supporting Documents

Supply the required documents listed for your organization type (see instructions).

Principal Officers

List names and titles of principal officers.

| | |
|------|-------|
| Name | Title |
| Name | Title |
| Name | Title |

Sign Here

I certify that the above statements are correct to the best of my knowledge and belief, that accompanying documents are true copies of original documents, and that I am authorized to sign this application.

| | | |
|-----------|-------|------|
| Signature | Title | Date |
|-----------|-------|------|

Send Form ST16 and supporting documents to:

Mail: Minnesota Department of Revenue
 Mail Station 6330
 St. Paul, MN 55416-6330

Email: Nonprofit.exemptstatus@state.mn.us

2018 Form ST16 Instructions

Minnesota law exempts certain nonprofit organizations from paying Sales and Use Tax. To get this exemption, an organization must apply to the Minnesota Department of Revenue for authorization (Nonprofit Exempt Status), using Form ST16.

Note: Being exempt from federal income tax does not automatically mean an organization is exempt from sales and use tax in Minnesota. You must apply for the state's sales tax exemption and meet all requirements.

What organizations can apply for this exemption?

To apply, your organization must meet one of the following requirements:

| Must be exempt from income tax under | Must also be |
|--|--|
| Internal Revenue Code, section 501(c)(3) | Organized and operated exclusively for charitable, religious, or educational purposes |
| Internal Revenue Code, section 501(c) | Senior citizen group organized and operated exclusively for pleasure, recreation, or other nonprofit purposes. Limited to members who are 55 or older, or disabled |

Your organization must also meet the expectations listed in the Organization and Operational Test listed in the table below. (Minnesota Rule 8130.6200 subp. 5)

| Documents or Activities | Must demonstrate |
|---------------------------|---|
| Articles of Incorporation | The organization is organized and operated exclusively for charitable, religious, or educational purposes |
| | The earnings do not benefit any private shareholder or individual member |
| | The organization will not engage in prohibited political and legislative activities |
| | In the event of a dissolution, no part of its assets will directly or indirectly be transferred to its members, founders, or shareholders |
| Financial statements | The organization must be supported and maintained at least (in part) by gifts, grants, and contributions |
| Organization's activities | The organization's operations must be supporting the exempt purposes |
| | The organization must serve a public rather than a private interest |
| | The assets of an exempt organization must be dedicated to an exempt purpose |

Examples of organizations that do not qualify

- Adult sports clubs of any type
- City-run celebrations
- Fraternities or sororities
- Homeowners' associations
- Jaycees, Kiwanis, and Lions Clubs
- Lake improvement associations
- Medical clinics
- Prayer societies
- Social clubs
- Trade and professional associations

Purchases that do not qualify for the Exempt Status exemption

The Minnesota Exempt Status – Sales Tax exemption does not apply to purchases of:

- prepared food, candy, soft drinks, and alcoholic beverages, including catered food
- lodging
- gambling equipment and supplies
- purchases, leases, and rentals of most motor vehicles
- 9.2 percent car rental tax and 5 percent car rental fee
- waste collection and disposal services

Questions?

Call 651-296-6181 or 1-800-657-3777 (toll-free).

Continued

Required Document List by Organization Type

Home School

Please attach:

- A signed affidavit stating that the school is a home school
- Evidence of instructor qualifications as required under Minnesota Statute 120A.22, subd. 10, a copy of one of the following:
 - your current Minnesota teaching license
 - teacher competency examination results
 - baccalaureate degree
 - the name and a copy of the license of the teacher you are directly supervised by
- The name of the school district in which your home school is located

Parent-Teacher Association or Booster Club - providing financial and other support to the school or organization of a school.

Please attach:

- A copy of the organization's federal 501(c)(3) letter granting exemption from income tax
- A copy of Federal Form 1023 submitted to the Internal Revenue Service
- A signed copy of the organization's Articles of Incorporation or Constitution and Bylaws containing the following statements:
 - The organization is nonprofit
 - The organization is operated exclusively for charitable, religious, or educational purposes
 - The earnings of the organization do not benefit any private shareholder or individual member
 - The organization must not attempt to influence legislation
 - A dissolution statement
- A letter from the principal of the school indicating the organization's affiliation with the school

Youth Organization (Boy Scouts, Girl Scouts, youth athletic and recreational programs)

Please attach:

- A copy of the organization's federal 501(c)(3) letter granting exemption from income tax
- A signed copy of the organization's Articles of Incorporation or Constitution and Bylaws containing the following statements (Scout troops may provide a copy of their Charter if they do not have Articles of Incorporation or a Constitution):
 - The organization is nonprofit
 - The organization is operated exclusively for charitable, religious, or educational purposes
 - The earnings do not benefit any private shareholder or individual member
 - The organization will not engage in prohibited political and legislative activities
 - A dissolution statement
- Documents showing that membership or services provided, is limited to youth ages 18 and younger or K-12

Educational Institution

An educational organization has a regularly scheduled curriculum, a regular faculty, and a regularly enrolled body of students in attendance at a place where the educational activities are regularly carried on. (Minnesota Rule 8130.6200)

Please attach:

- A copy of the organization's federal 501(c)(3) letter granting exemption from income tax
- A copy of Federal Form 1023 submitted to the Internal Revenue Service (IRS)
- A signed copy of the organization's Articles of Incorporation or Constitution and Bylaws containing the following statements:
 - The organization is nonprofit
 - The organization is operated exclusively for charitable, religious, or educational purposes
 - The earnings do not benefit any private shareholder or individual member
 - The organization will not engage in prohibited political and legislative activities
 - A dissolution statement
- A copy of your last Form 990, Return of Organization Exempt From Income Tax filed with the IRS
- Income and expense statement for the last accounting period or a budget for the most recent year
- A letter or brochure describing the purpose and activities of the organization
- A letter detailing:
 - educational curriculum
 - location where educational activities are carried on
 - how many students regularly attend
 - faculty members and their positions

Other Educational Organizations (museums, zoos, planetariums, symphony orchestras, historical societies)

Please attach:

- A copy of the organization's federal 501(c)(3) letter granting exemption from income tax
- A copy of Federal Form 1023 submitted to the Internal Revenue Service (IRS)
- A signed copy of the organization's Articles of Incorporation or Constitution and Bylaws containing the following statements:
 - The organization is nonprofit
 - The organization is operated exclusively for charitable, religious, or educational purposes
 - The earnings do not benefit any private shareholder or individual member
 - The organization will not engage in prohibited political and legislative activities
 - A dissolution statement
- A letter or brochure describing the purpose and activities of the organization
- Income and expense statement for the last accounting period or a budget for the most recent year
- A copy of your last Form 990, Return of Organization Exempt From Income Tax filed with the IRS

Religious Organization and Affiliated Religious Organizations

A religious organization conducts worship services at regular intervals at an established place of worship. An affiliated religious organization is affiliated with or related to a religious organization and exists exclusively to continue the religious purposes of the religious organization. (Minnesota Rule 8130.6200)

Please attach:

- A copy of the organization's federal 501(c)(3) letter granting exemption from income tax
- A copy of Federal Form 1023 submitted to the Internal Revenue Service (IRS)
- A signed copy of the organization's Articles of Incorporation or Constitution and Bylaws containing the following statements:
 - The organization is nonprofit
 - The organization is operated exclusively for charitable, religious, or educational purposes
 - The earnings do not benefit any private shareholder or individual member
 - The organization will not engage in prohibited political and legislative activities
 - A dissolution statement
- Income and expense statement for the last accounting period or a budget for the most recent year
- A copy of your last Form 990, Return of Organization Exempt From Income Tax filed with the IRS
- A letter or brochure describing the specific purposes and activities of the organization
- Documentation, such as a bulletin, showing the organization's place of worship and time of worship services
- Affiliated religious organizations must provide a letter on the letterhead of the religious organization confirming they are affiliated with them and explain the affiliation

Senior Citizen Groups

Senior citizen groups or associations that limit membership to persons age 55 or older, or physically disabled, and are organized and operated exclusively for pleasure, recreation, and other nonprofit purposes; not including housing. (Minnesota Statute 297A.70, subd. 4(a)(2))

Please attach:

- A copy of the federal 501(c) letter granting exemption from income tax
- A copy of the application for federal income tax exemption
- A signed copy of the organization's Articles of Incorporation or Constitution and Bylaws containing the following statements:
 - The organization is nonprofit
 - The organization is operated exclusively for charitable, religious, or educational purposes
 - The earnings do not benefit any private shareholder or individual member
 - The organization will not engage in prohibited political and legislative activities
 - A dissolution statement
- Indication that membership is limited to persons age 55 or older, or physically disabled

Charitable Organization

A charitable organization generally provides gifts of goods or services for the benefit of an indefinite number of persons and meets certain other requirements. (Minnesota Rule 8130.6200)

Please attach:

- A copy of the organization's federal 501(c)(3) letter granting exemption from income tax
- A copy of Federal Form 1023 submitted to the Internal Revenue Service (IRS)
- A signed copy of the organization's Articles of Incorporation or Constitution and Bylaws containing the following statements:
 - The organization is nonprofit
 - The organization is operated exclusively for charitable, religious, or educational purposes
 - The earnings do not benefit any private shareholder or individual member
 - The organization will not engage in prohibited political and legislative activities
 - A dissolution statement
- A letter or brochure describing the specific purposes and activities of the organization
- Income and expense statement or budget for the last accounting period
- A copy of your last Form 990, Return of Organization Exempt from Income Tax filed with the IRS
- Documentation that explains how the organization meets the following six factors:
 - Conducted without a view to profit
 - Supported in part by benevolent contributions
 - Open to the public generally without restriction
 - Provide charitable goods or services to recipients free or at a reduced cost
 - Organized and operated so that its charitable aids reach an indefinite number of people
 - Organized and operated so that its commercial activities are subordinate to or incidental to any possible charitable activities