State of Rhode Island – Division of Taxation

Sales and Use Tax

Regulation SU 07-48

Exempt Agencies, Organizations and Institutions - Sales To

I. Sales of tangible personal property to the Federal Government or to any of its agencies or instrumentalities, to the State of Rhode Island, or any of its cities or towns, and to any redevelopment agency created pursuant to Chapter 45-31 of the Rhode Island General Laws are not subject to the tax.

Such governmental agencies or instrumentalities are not required to furnish exemption certificates to their suppliers. However, the seller must make appropriate notations in his/her records covering his/her sales to such governmental agencies or instrumentalities.

II. Sales to all other exempt organizations, including hospitals not operated for profit, educational institutions not operated for profit, churches, orphanages, and other institutions or organizations operated exclusively for religious or charitable purposes, interest free loan associations not operated for profit, nonprofit organized sporting leagues and associations and bands for boys and girls under the age of 19 years, the following vocational student organizations that are state chapters of national vocational students organizations: distributive education clubs of America, (DECA); future business leaders of America/Phi Beta Lambda (FBLA/PBL); future farmers of America (FFA); future homemakers of America/home economics related occupations (FHA/HERD); and organized nonprofit Golden Agers and senior citizens clubs for men and women, and parent-teacher associations are exempt from sales and use tax, but each such organization must file an application for and obtain from the Tax Administrator an exemption certificate covering such exempt organizations.

The exemption applies only to such purchases as are made by the organization itself for its own purposes and not to purchases by any of its members individually. An individual member or group of members belonging to such an exempt organization must pay the tax when purchasing meals, or other tangible personal property for their individual or collective use or consumption.

III. Exemption certificates issued by other states will not be recognized in this state; however, out-of-state exempt organizations of the same type may apply for an exemption certificate in the same manner as a Rhode Island organization. An application form may be obtained from the Division of Taxation. No tax exempt purchases may be made by such organizations until an exemption certificate has been approved and issued to such organization. Each such certificate shall be identified by a certificate number.

Sales to exempt entities, other than the Federal government, the State government and municipal governments of this State, will be deemed to be taxable unless the retailer

obtains a copy of the exemption certificate (issued by the RI Division of Taxation) or obtains a properly completed exemption certificate authorized by the Streamlined Sales and Use Tax Agreement.

The following form of exemption certificate is prescribed by the Tax Administrator.

CERTIFICATE OF EXEMPTION

This is to certify that the above-named institution or organization has qualified for exemption pursuant to the provisions of the Rhode Island Sales and Use Tax Act, Chapter 18, Title 44, Section 30(5) of the General Laws of 1956, as amended, and is accordingly exempt from the payment of the

~~sales tax on sales made to it and from the use tax on the storage, use or other consumption of tangible personal property by it.~~

~~Certificate Number.....~~

~~Date of Issuance.....~~

~~DAVID SULLIVAN TAX ADMINISTRATOR~~

~~EFFECTIVE DATE: JANUARY 2007~~

~~THIS REGULATION AMENDS AND SUPERCEDES REGULATION SU 96-48 PROMULGATED JANUARY 1, 1996.~~