

C-3136 (Rev. 11-80)



JOHN ENGLER, Governor
DOUGLAS B. ROBERTS, State Treasurer

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
TREASURY BUILDING
LANSING MICHIGAN 48922

This form must be kept by the seller when making tax exempt sales. The exempt organization may reproduce this form.

THIS EXEMPTION/FORM IS NOT TRANSFERABLE TO ANOTHER INDIVIDUAL OR ENTITY.

Effective Date

SAMPLE

This letter serves as notice to a seller that your organization qualifies to buy goods and services without paying the Michigan sales or use tax. **TREASURY DOES NOT ISSUE TAX EXEMPT NUMBERS.**

To buy goods and taxable services without paying a sales or use tax, present:

- a copy of this letter, and
- a completed certificate (below) certifying to the seller that the goods or services being purchased are for purposes of the organization and are being paid for from organizational funds. The seller must keep a copy of this certificate with the record of the sale.

Please note the following.

- This exemption does not apply to the purchase of tangible personal property or to the purchase of vehicles that are not used primarily to carry out the purposes of your organization as stated in your bylaws or articles of incorporation.
- Employees or members may NOT use this exemption to purchase goods or services for personal use.

The Michigan Department of Treasury may review your exempt status at any time to verify your eligibility. If the Internal Revenue Service revokes your exempt status under section 501 (c)(3) or 501 (c)(4), if a Treasury audit discovers non-exempt status, or if for any other reason your organization no longer qualifies for exemption, then your organization is subject immediately to sales or use tax on its purchases.

Please notify us if you have a name or address change. If you have questions, please contact this office at 517 - 373-3190.

Sincerely,

Jesse A. Weaver, Administrator
Sales, Use and Withholding Taxes Division

CERTIFICATE REQUIRED FOR TAX-EXEMPT SALES

I certify that the item or items being purchased are to be used or consumed in connection with the operation of the exempt institution or agency named above and that the consideration for this purchase moves from the funds of the designated institution or agency. In the event this claim is disallowed, the transferee promises to reimburse the seller for the amount of tax involved.

Signature of Authorized Representative of Non-Profit Organization	Date
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Purchases by Nonprofit Organizations

Public Act 424 of 1994 established an exemption in the Use Tax Act which was identical to that placed in the General Sales Tax Act by Public Act 156 of 1994 for sales to nonprofit organizations. The exemption was expanded to all federal income-tax-exempt organizations under section 501 (c)(3) or 501 (c)(4) of the Internal Revenue Code (IRC).

As with sales tax, two exemption avenues were established by Public Act 424. The first was a continuation of the exemption for organizations that had previously received an "exemption ruling letter" signed by the Administrator of the Sales, Use and Withholding Taxes Division dated after June 12, 1994. The second was to expand exemption to organizations without an "exemption ruling letter," but having received Federal 501(c) or 501 (c) (4) tax exempt status from the Internal Revenue Service.

Public Act 424 which amended the Use Tax Act nonprofit exemption was filed and became law on January 5, 1995, retroactive to January 1, 1994. The previous discussion for sales tax concerning sales made to nonprofit organizations will have general application to purchases by nonprofit organizations that may be subject to the use tax. This includes the discussion that the exemption is limited to use or consumption of the item primarily in carrying out the purposes of the nonprofit organization as stated in the bylaws or articles of incorporation.

Additional Information or Forms

Additional information or forms may be obtained by writing to:

Sales, Use and Withholding Taxes Division
Michigan Department of Treasury
Treasury Building
Lansing, Michigan 48922

or by telephoning (517) 373-3190