

KANSAS DEPARTMENT OF REVENUE

RELIGIOUS ORGANIZATION EXEMPTION CERTIFICATE

The undersigned religious organization certifies that the tangible personal property or service purchased from:

Seller: _____
Business Name

Address: _____
Street, RR, or PO Box City State Zip + 4

is exempt from Kansas sales and compensating use tax for the following reason:

Effective July 1, 1998, K.S.A. 79-3606(aaa) exempts all sales of tangible personal property and services purchased by a religious organization which is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code, and used exclusively for religious purposes.

Description of tangible personal property or services purchased:

The undersigned understands and agrees that if the tangible personal property or services are used other than as stated above or for any purpose that is not exempt from sales or compensating use tax, the undersigned purchaser becomes liable for the tax.

Purchaser: _____
Name of Religious Organization

Address: _____
Street, RR, or PO Box City State Zip + 4

Signature: _____ DL# _____ Date: _____
Officer, Office Manager, or Administrator Driver's License Number

THIS CERTIFICATE MUST BE COMPLETED IN ITS ENTIRETY

WHO MAY USE THIS EXEMPTION? Only religious organizations exempt from federal income tax under section 501(c)(3) of the federal internal revenue code are eligible for this exemption. A "religious organization" is any organization, church, body of communicants, or other group that gathers in common membership for mutual support and edification, in piety, worship, and religious observance, at an established place of worship which the organization maintains for the purpose of conducting regularly scheduled religious services or meetings, and of which no part of the net earnings of such organization is for the benefit of any private shareholder or individual member.

WHAT PURCHASES ARE EXEMPT? Only direct purchases by a religious organization of items to be used exclusively for religious purposes are exempt. A direct purchase is a sale that is billed directly to the religious organization and is paid for by the religious organization's check or voucher. Purchases made by employees or agents with their personal funds are TAXABLE, even if they are later reimbursed the expense by the religious organization.

Purchases that are considered to be used exclusively for religious purposes include, but are not limited to, goods and services used exclusively in, or to facilitate: (1) religious worship services by a congregation or church membership while meeting together at a single location; (2) religious ceremonies; (3) carrying out the religious work of the organization; (4) to construct, furnish, equip, remodel, or maintain a facility used exclusively for religious objectives including, but not limited to, a church, church grounds, a church administration building, a church camp, a parsonage, rectory, or convent; or (5) to administer, manage, or operate religious facilities or to administer religious activities.

WHAT PURCHASES ARE TAXABLE? Taxable purchases by a religious organization include: (1) personal property and services that are purchased for use in undertaking business activities, even though the profits from such enterprises are used exclusively for religious purposes, and (2) personal property and services, such as food, clothing, personal items, meals, drinks, motor vehicles, admission charges, and membership dues, that are for personal use of ministers, priests, and other employees, rather than a use that is exclusively for a religious purpose.

CONSTRUCTION, REMODEL, OR REPAIR PROJECTS. A religious organization may directly purchase construction materials, fixtures or parts or the labor services of a contractor or repairman exempt from sales tax with this certificate. HOWEVER, if the contractor is furnishing materials or parts in addition to the labor services (for example, a contract to install or repair an air conditioning/humidity control system), the contractor's invoice to the religious organization will include (and the religious organization must pay) the sales tax paid or accrued by the contractor or repairman on any materials and parts used in the project. A religious organization does not qualify to receive a project exemption certificate which would allow a contractor, subcontractor, or repairman to purchase or furnish materials exempt from sales tax. This certificate does not allow a contractor to purchase or furnish materials or parts for a religious organization's project exempt from sales tax.

A more complete discussion of this exemption is in the Kansas Department of Revenue Notice 98-05, "Sales Taxation of Purchases by Religious Organizations" This notice is available from any of our offices or from the department's Policy Information Library on the Internet at: www.ink.org/public/kdor.