

Notice to Newly Qualified Exempt Organizations

Congratulations on qualifying for exemption from sales and use taxes.

We have enclosed Form ST-119, *Exempt Organization Certificate*, prepared in the name of your organization. You should keep the certificate in a safe place as a record of your exemption and make photocopies so your organization's tax exemption number is readily available in case the certificate is destroyed, lost, or stolen. Your certificate does not require renewal and will remain in effect unless it is revoked or canceled.

Under the terms of this exemption, your organization has certain responsibilities as well as privileges.

If you change your organization's name or address, you must complete Part A on the back of the certificate (Form ST-119) and return it to us no later than 30 days from the date of the change. For a name change, you must also submit a copy of the amendment to your organizing document showing this change. We will issue a corrected *Exempt Organization Certificate*. If you receive mail in care of an officer, you should rent and maintain a post office box to eliminate the need for periodic correction of the certificate due to the change of officers.

If your organization dissolves or changes its organizational structure, you must complete Part B on the back of the certificate and return it to us immediately for cancellation. Any organization that changes its structural form (for example, an association or trust reorganizes as a corporation) must file a new Form ST-119.2, *Application for An Exempt Organization Certificate*, to establish the new entity's status for sales tax exemption.

You must return the certificate immediately to us if your organization changes its purposes or activities. To amend your application, submit a copy of the applicable amending document or statement of activities. We will make a reappraisal of the organization's exempt status.

You may request a replacement from us if your organization's certificate is lost or destroyed. However, if your certificate is stolen, you must notify us immediately so we can record the theft on our records and cancel your tax exemption number. We will issue a new numbered certificate to replace it.

We have enclosed copies of the Form ST-119.1, *Exempt Organization Exempt Purchase Certificate*, for your use. If your organization is the direct purchaser and payer of record, you may make most purchases tax free by presenting vendors with properly completed copies of the exempt purchase certificate. To be considered the direct purchaser and payer of record, all bills, invoices, and receipts issued by vendors must show your organization as the purchaser, and payment must be made from the funds of your organization.

You must enter all of the following information on the exempt purchase certificate for your organization before it can be accepted by a vendor as properly completed:

1. the name and address of the vendor;
2. the name and address of your organization;
3. the six-digit number from your *Exempt Organization Certificate*;
4. the signature and title of the responsible officer of your organization; and
5. the date the exempt purchase certificate is presented to the vendor.

You must give an exempt purchase certificate to each vendor at the time of the organization's first purchase from that vendor. A separate certificate is not necessary for each subsequent purchase if the vendor enters your organization's name, address, and certificate number on the sales slip or billing invoice. The exempt purchase certificate is considered part of each order given to the vendor and remains in force unless revoked. However, your organization must present the exempt purchase certificate to a vendor no later than 90 days after accepting the delivery of property or the rendering of services. Otherwise, the burden of proof that the sale was exempt will fall on both the vendor and your organization.

Vendors must retain an exempt purchase certificate for at least three years after the date of the last exempt sale substantiated by the certificate. Most vendors will ask you for replacement copies of the certificate after that period.

You may not use the exempt purchase certificate to make tax-free purchases for the benefit of any officer, member, or employee of the organization. Personal purchases made by those individuals are subject to sales tax. Also, as a central organization, you may not allow subordinate or affiliated units to use the organization's tax exemption number when making purchases. An organization's exemption does not extend to its subordinate units. This type of authorization would constitute a misuse and could result in the revocation of the exemption granted to the organization. Substantial civil or criminal penalties, or both, will result from the misuse of the Form ST-119.1, *Exempt Organization Exempt Purchase Certificate*.

Your organization may not use the exempt purchase certificate to make tax-exempt purchases of motor fuel or diesel motor fuel. For more information, see Important Notices N-85-15 and N-89-61.

You may photocopy Form ST-119.1, or you may request copies of it and the above notices by calling toll free (from New York State only) 1 800 462-8100, or by writing to the NYS Tax Department, Taxpayer Contact Center, W A Harriman Campus, Albany NY 12227.

Sales Tax - Exempt Organizations Unit: (518) 457-2782.