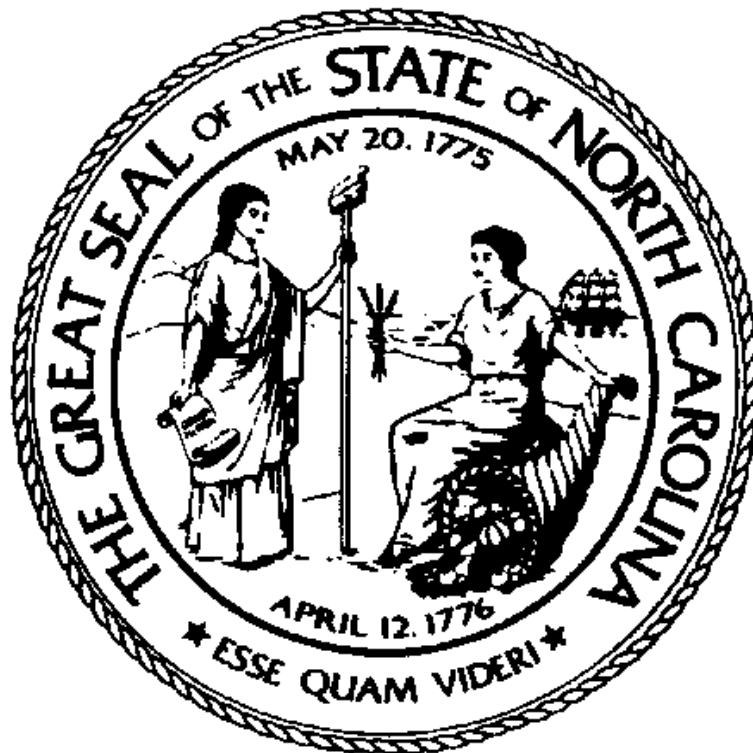


# **STATE TAXATION AND NONPROFIT ORGANIZATIONS**



**NORTH CAROLINA DEPARTMENT OF REVENUE**

**P.O. Box 25000**

**Raleigh, NC 27640**

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# **SECTION ONE: STATE TAXATION AND NONPROFIT ORGANIZATIONS**

## **INTRODUCTION**

This publication is designed to provide nonprofit organizations with guidance regarding their filing and reporting obligations to the North Carolina Department of Revenue for tax purposes.

This publication addresses the following subjects:

1. The Requirements for Tax Exemption or Tax Refund
2. The Filing Requirements for Nonprofit Organizations
3. Frequently Asked Questions

***The terms “nonprofit” and “tax-exempt” are not synonymous.*** Not all nonprofit organizations are tax-exempt. The fact that an organization may be organized and operated as a nonprofit under applicable state law does not establish tax exemption for the organization. To qualify for tax exemption, an organization must meet specific federal and state guidelines.

Federal income tax exemption for organizations is provided in Section 501 of the Internal Revenue Code. To qualify for federal income tax exemption under this section of the Code, the organization must be a corporation, community chest, fund, or foundation. A trust is a fund or foundation and will qualify. However, an individual or a partnership will not qualify. The organization or corporation must be organized for one or more of the purposes designated in the Code. IRC §501(c) lists several types of tax-exempt organizations and the purposes under which the organizations must be organized in order to qualify for federal income tax exemption.

The most common tax-exempt organizations are listed in subsection (c)(3). These organizations may be established for the following purposes: religious, educational, charitable, scientific, literary, testing for public safety, fostering certain national or international amateur sports competitions, or prevention of cruelty to children or animals. For a nonprofit corporation to qualify for 501(c)(3) exemption status, it must include and abide by the requisite statement of purpose in its articles of incorporation. Also, the corporation must submit to the IRS Form 1023, "Application for Recognition of Exemption." Contributions made to organizations that have been approved for tax exemption by the Internal Revenue Service under Section 501(c)(3) are deductible by the donor as "charitable contributions" as defined in Section 170(c) of the Code.

The following is a list of publications available from the IRS regarding federal income tax exemption that may be obtained by either calling or writing the IRS (see Directory).

- i. Publication 557, Tax-Exempt Status for Your Organization.
- ii. Publication 598, Tax On Unrelated Business Income Of Exempt Organizations.
- iii. Publication 892, Exempt Organization Appeal Procedures For Unagreed Issues.
- iv. "Exempt Organizations Handbook" which may be purchased by writing to IRS, 1111 Constitution Avenue, NW, Attention: PM:S:DS:P:RR, Washington, DC 20224.

**SECTION TWO:**  
**CORPORATE FRANCHISE AND INCOME**  
**TAX**  
***G.S. §§ 105-125(a) and 105-130.11***

## **2.1:**

### **NONPROFIT CORPORATIONS ORGANIZED IN NORTH CAROLINA**

An organization must be issued a letter of tax exemption from the North Carolina Department of Revenue before it is exempt from state income taxation. For nonprofit corporations organized under Chapter 55A, there is no formal application required to obtain state income tax exemption. The process begins with the corporation's registration with the Secretary of State. After a nonprofit corporation is registered with the Secretary of State, the Secretary of State's Office will notify the Department of Revenue of the nonprofit corporation's registration. After notification, the Department will automatically mail a questionnaire to the address furnished by the Secretary of State and request that the corporation provide a copy of its Articles of Incorporation and Bylaws. The Department will evaluate the documents and issue a determination letter advising the corporation its tax status and any filing requirements. If the nonprofit corporation does not qualify for tax exemption, the Department will request that it file corporate franchise and income tax returns. The Department does not issue "exempt numbers" for corporate franchise and income tax, but it does issue letters of tax exemption. The Federal identification number should be used for filing purposes.

Under G.S. 105-130.11(a), organizations that are exempt from federal income tax under the Code are exempt from the corporate income tax imposed under G.S. 105-130.3 on income that is not unrelated business income as defined in Section 512 of the Code.

## **2.2:**

### **UNINCORPORATED ENTITIES AND ENTITIES ORGANIZED OUTSIDE NORTH CAROLINA**

Entities organized outside North Carolina and unincorporated entities that desire a tax-status ruling should make a request by letter accompanied by a copy of the Bylaws, Constitution, or other organizational documents. To qualify for tax-exempt status, the organization's Constitution, Bylaws, or Articles of Incorporation must include the following provisions:

- i. Entity is organized exclusively for one or more of the purposes specified in Section 501(c)(3) of the Internal Revenue Code of 1986 or any successor section, including for such purposes, the making of distributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code of 1986.
- ii. No part of the net earnings of the organization shall inure to the benefit of its members, directors, officers, or other persons except that the organization shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the exempt purposes of the organization.
- iii. In the event of dissolution, the residual assets of the organization will be turned over to one or more organizations with similar purposes which are exempt as organizations described in Section 501(c)(3) of the Internal Revenue Code of 1986.

## **2.3:**

### **FILING REQUIREMENTS**

Most nonprofit organizations are not subject to income taxation. However, the Internal Revenue Service requires tax-exempt organizations with gross receipts greater than \$25,000 to file an information only return (Federal Form 990) even if the organization has no taxable unrelated business income. A copy of the Form 990 is not required to be filed with the Department of Revenue. Except as otherwise provided by North Carolina Revenue Law, an organization that is qualified for exemption from federal income tax under the Code is also exempt from the franchise taxes imposed under Article 3 of the North Carolina Revenue Law. [G.S. 105-125]

An organization's determination letter states if it is required to file any tax returns with the Department. Any questions concerning the filing of returns should be referred to the Corporate Tax Unit of the Taxpayer Assistance Division (see Directory).

***Unrelated Income Returns Filed on CD-405 [G.S. 105-130.11(b), (c)]***

Tax-exempt organizations are required to report unrelated business income under G.S. 105-130.11(b) or (c). Tax-exempt organizations with unrelated business income must complete the income tax schedules of the North Carolina Corporate Franchise and Income Tax Return (Form CD-405) and file the return by the fifteenth day of the fifth month after its year end and pay tax at the statutory corporate rate. Tax-exempt organizations required to file a return to report unrelated business income are not subject to the franchise tax imposed under G.S. 105-122 and would not be required to complete the franchise tax schedules of CD-405. For more specific information on what constitutes unrelated business income for a tax-exempt organization, refer to the Internal Revenue Service Publication 598, Tax On Unrelated Business Income Of Exempt Organizations.

**SECTION THREE:  
SALES AND USE TAX  
G.S. § 105-164.4, 105-164.6, 105-164.13,  
and 105-164.14**

**3.1:**

**PURCHASES BY NONPROFIT ORGANIZATIONS**

Sales of taxable tangible personal property to nonprofit hospitals, nonprofit educational institutions, churches, orphanages, other nonprofit charitable or religious institutions and organizations, and homes for the aged, sick, or infirm whose property is excluded from property tax are subject to State and local sales or use tax when such property is purchased for use or consumption. North Carolina law does not exempt nonprofit organizations from payment of sales and use tax on items they purchase for use. However, G.S. 105-164.14(b) provides for semiannual refunds of sales and use tax paid by the above types of **qualified** organizations and institutions on direct purchases of tangible personal property for use in carrying on their nonprofit work. This refund is not to include sales tax paid on taxable sales made by such organizations and institutions.

When an institution or organization (including a nonprofit organization) purchases taxable tangible personal property for use from a North Carolina supplier or a registered out-of-state supplier who charges the State and local sales or use tax, the organization must pay the tax to the supplier. Any organization making purchases of taxable tangible personal property from an out-of-state supplier who does not collect the State and local sales or use tax is required to register with the Department (if not already registered for the purpose of remitting tax on retail sales), file a use tax return, and remit the tax due on the purchases. An organization that does not owe tax for a given period must file a return reflecting (\$0.00) on the "Total Due" line. To register, the organization must complete

Form NC-BR, Business Registration Application for Income Tax Withholding, Sales and Use Tax, and Machinery, Equipment, and Manufacturing Fuel Tax. There is no fee for registering.

### **3.2:**

#### **SALES BY NONPROFIT ORGANIZATIONS**

Nonprofit entities registered for sales and use tax purposes may purchase tangible personal property for resale without paying tax to their suppliers provided they have furnished the suppliers properly executed Streamlined Sales Tax Agreement Certificate of Exemption, Form E- 595E. The Streamlined Sales Tax Agreement Certificate of Exemption may not be used by a nonprofit entity in making purchases of tangible personal property to be used or consumed by such entity. A penalty of \$250.00 can be assessed when a purchaser issues a Streamlined Sales Tax Agreement Certificate of Exemption in connection with a purchase of tangible personal property that is purchased for use or consumption, and not for resale.

If a nonprofit organization makes taxable retail sales, it must obtain a Certificate of Registration by completing Form NC-BR and collect and remit the tax due on such sales unless the sales are specifically exempt by statute. There is no fee for registering. The tax remitted to the Department by the nonprofit organization on retail sales should not be included in its refund claim. For more information on both taxable and exempt sales by nonprofit organizations, refer to Sales & Use Tax Technical Bulletin 17-1 which can be obtained from the Taxpayer Assistance Division of the Department or from the Department's website (see front cover).

### **3.3:**

#### **REFUND PROVISIONS**

A nonprofit organization eligible for refund under the provisions of G.S. 105-164.14(b) should file a Form E-585, Nonprofit and Governmental Entity Claim for Refund State and County Sales and Use Taxes. The nonprofit organization should include sales or use tax paid to vendors, use tax accrued and remitted to the Department, and certain tax indirectly paid per contractors' statements on the refund claim. County sales or use taxes shall be separately stated on the claim for refund. If more than one county's tax has been paid, a breakdown shall be attached to the claim showing the amount of each county's tax separately. Refund claims shall be substantiated by proper documentary proof and only the taxes actually paid by the claimant during the period for which the claim for refund is filed may be included in the claim.

In order to receive a determination as to whether an organization qualifies for tax refunds, it must furnish the Department a copy of the documents used to create the organization. If the organization is incorporated, it should furnish a complete copy of its

Articles of Incorporation and its Bylaws. If the organization is not incorporated, it should furnish a copy of its Bylaws, Constitution, or other organizational documents.

Claims for refund are filed semiannually. The claim for refund of sales and use taxes paid during the first semiannual period (January 1 through June 30) is due to be filed by October 15th of the same year. The claim for refund for the second semiannual period (July 1 through December 31) is due to be filed by April 15th of the following year. Claims for refund which are filed more than three years after the due date are barred by statute.

A nonprofit institution or organization may file a claim for refund pending the Department's determination of the organization's eligibility to receive refunds. For more information on refunds to nonprofit institutions or organizations, see Sales & Use Tax Technical Bulletin 17-2.

## **SECTION FOUR: PROPERTY TAX**

***G.S. §§ 105-278.3 through 105-278.8***

### **4.1:**

#### **FILING REQUIREMENTS**

The North Carolina General Statutes require all property to be subject to ad valorem taxation unless specifically exempt or excluded from such taxation in the Machinery Act or in the Constitution. Under G.S. 105-282.1(a), every owner of property claiming exemption or exclusion from property taxes under the provisions granting such benefit has the burden of establishing that the property is entitled thereto. Therefore, a nonprofit organization, which claims exemption or exclusion from the property tax on its property, must file a complete and thorough application to enable the assessor to determine whether the property falls within the strict definition of the exemption or exclusion for which application has been made.

The Machinery Act states all property must be subject to ad valorem taxation unless specifically exempted or excluded from such taxation by statute. All taxpayers claiming an exemption or exclusion are required to annually file an application for the benefit requested unless otherwise provided in G.S. 105-282.1(a). However, a number of the property classes have been granted special application requirements and do not have to file annual applications. Nonprofit organizations, such as religious and educational institutions, are included in the category that requires the owner to file an initial application; and, after approval, the owner is not required to file an application in the subsequent years except in the following circumstances:



- i. “New or additional property is acquired or improvements are added or removed, necessitating a change in the valuation of the property; or
- ii. There is a change in the use of the property or the qualifications or eligibility of the taxpayer necessitating a review of the exemption or exclusion.” G.S. 105-282.1(a)(3).

The taxpayer has the responsibility of notifying the assessor of any change listed above by filing a new application during the listing period immediately following the year in which the change occurred. If the new application indicates that the property no longer qualifies for exemption or exclusion, the property must be returned to taxable status.

## **4.2:**

### **EXCEPTIONS AND EXCLUSIONS**

Following is a partial listing of the exceptions and exclusions as allowed through the statutory provisions of the Machinery Act. Although exclusions are, by statute, not to be listed, appraised, assessed, or taxed, they are also subject to the application provisions of G.S. 105-282.1. Therefore, like exemptions, nonprofit owners of property claiming an exclusion have the burden of establishing that they are entitled to the benefit and must file an application unless otherwise stated in the statute. Exclusions requiring an application should be listed, appraised, assessed, and taxed until the proper application has been filed and approved.

**Please note that these are summary titles of the property classes. Always consult the specific statutory provision to determine all requirements necessary for the particular classes to be eligible for exemption or exclusion.**

#### **No Application Required**

- i. G.S. 105-275(5) – Vehicles for Disabled Veterans
- ii. G.S. 105-275(15) – Standing Timber and Forest Growth
- iii. G.S. 105-275(16) – Non-business Property
- iv. G.S. 105-275(26) – Tangible Personal Property Manufactured for Nonresidential Customer
- v. G.S. 105-275(31) – Intangible Personal Property other than Leasehold Interest in Exempt Property
- vi. G.S. 105-275(32a) – Inventories Owned by Contractors
- vii. G.S. 105-275(33) – Inventories Owned by Manufacturers
- viii. G.S. 105-275(34) – Inventories Owned by Retail and Wholesale Merchants
- ix. G.S. 105-275(40) – Computer Software
- x. G.S. 105-278.1 – Government Owned
- xi. G.S. 105-278.2 – Cemeteries

## **Initial Application Only Required**

- i. G.S. 105-275(3) – Nonprofit Water and Sewer Associations
- ii. G.S. 105-275(7) – Public Parks and Drives
- iii. G.S. 105-275(8) – Pollution Abatement and Recycling Property
- iv. G.S. 105-275(12) – Protected Natural Area
- v. G.S. 105-275(17) – Veterans Organizations
- vi. G.S. 105-275(18) – Masonic Orders
- vii. G.S. 105-275(19) – Fraternal and Civic Orders
- viii. G.S. 105-275(20) – Goodwill Industries
- ix. G.S. 105-275(21) – Disabled Veterans Real Property (First \$38,000 in value)
- x. G.S. 105-275(35) – Severable Development Rights
- xi. G.S. 105-275(36) – Property Owned by the N.C. Low Level Radioactive Waste Authority
- xii. G.S. 105-275(38) – Property Owned by the N.C. Hazardous Waste Management Commission.
- xiii. G.S. 105-275(39) – Nonprofit Corporation Property Used for Public Purpose
- xiv. G.S. 105-275(41) – Art Owned by the N.C. Art Society Inc.
- xv. G.S. 105-277(h) – Private Water Companies
- xvi. G.S. 105-277.1 – Elderly and Disabled Exclusion
- xvii. G.S. 105-277.8 – Property of Homeowners’ Association
- xviii. G.S. 105-277.10 – Precious Metals
- xix. G.S. 105-277.13 – Improvement on Brownfields
- xx. G.S. 105-278 – Historic Property
- xxi. G.S. 105-278.3 – Religious Property
- xxii. G.S. 105-278.4 – Educational Property
- xxiii. G.S. 105-278.5 – Religious and Educational Assemblies
- xxiv. G.S. 105-278.6 – Charitable Purposes
- xxv. G.S. 105-278.7 – Educational-Scientific-Literary-Charitable Property
- xxvi. G.S. 105-278.8 – Charitable Hospitals

## **SECTION FIVE: MOTOR FUELS TAX G.S. § 105-449.106**

### **5.1:**

#### **TAXABLE PURCHASES**

Article 36C of the North Carolina Revenue Law imposes a tax on motor fuel to provide revenue for the State's transportation needs and for the other purposes listed in Part 7 of the Article. The tax is collected from the supplier or importer of the fuel because

this method is the most efficient way to collect the tax. However, the tax is designed to be paid ultimately by the person who consumes the fuel. The tax becomes a part of the cost of the fuel and is consequently paid by those who subsequently purchase and consume the fuel. Under the provisions of G.S. 105-449.106, certain nonprofit organizations that purchase and use motor fuel may receive a quarterly refund for the excise tax paid during the preceding quarter at a rate equal to the amount of the flat cents-per-gallon rate plus the variable cents-per-gallon rate in effect during the quarter for which the refund is claimed, less one cent per gallon. The following entities may receive a refund under this section:

- i. A private, nonprofit organization that transports passengers under contract with or at the express designation of a unit of local government.
- ii. A volunteer fire department.
- iii. A volunteer rescue squad.
- iv. A sheltered workshop recognized by the Department of Health and Human Services.

An application for a refund allowed under this section must be signed by the chief executive officer of the entity. The chief executive officer of a nonprofit organization is the president of the organization or another officer of the organization designated in the charter or bylaws of the organization. (See Refund Provisions)

## **5.2:**

### **REFUND PROVISIONS**

A nonprofit institution or organization eligible for a refund of excise taxes under the provisions of G.S. 105-449.106 should complete Form Gas 1200, Application for Refund of Road Tax Due on Motor Fuels. All initial refund applications must be substantiated by proper documentary proof. Any applicant must submit with its application a copy of its corporate charter, a copy of the qualifying contract with a governmental entity, and a copy of the minutes from one of its meetings. Only the taxes actually paid by the claimant during the period for which the claim for refund is filed may be included in the claim.

An application for a quarterly refund of excise tax is due by the last day of the month following the end of the calendar quarter for which the refund is claimed. The application must state that the applicant has paid for the fuel for which a refund is claimed or that payment for the fuel has been secured to the seller's satisfaction. The claim for refund of excise taxes paid during the first quarter (January 1 through March 31st) is due to be filed by April 30<sup>th</sup>. The claim for refund for the second quarter (April 1 through June 30th) is due to be filed by July 31<sup>st</sup>. The claim for refund for the third quarter (July 1 through September 30th) is due to be filed by October 31<sup>st</sup>. The claim for refund for the last quarter (October 1 through December 31st) is due to be filed by January 31<sup>st</sup> of the following year.

An application for refund filed more than three years after the date the application is due is barred by statute (G.S. 105-449.108).

If you need assistance with completing and filing the application, you may contact a local Revenue Field Office or call the Motor Fuels Tax Division at the toll-free number (877) 308-9092. Any written correspondence should be mailed to:

North Carolina Department of Revenue, Motor Fuels Tax Division, Post Office Box 25000, Raleigh, NC 27640-0950.

**SECTION SIX:  
WITHHOLDING TAX  
G.S. §§ 105-163.1A through 105-163.10**

**6.1:**

**GENERAL PROVISIONS**

The North Carolina General Statutes require employers to withhold income tax from salaries and wages of all residents regardless of where earned and from wages of nonresidents for personal services performed in North Carolina. Effective January 1, 2001, a pension payer required to withhold federal tax under Section 3405 of the Internal Revenue Code on a pension payment to a North Carolina resident must also withhold State income tax from the pension payment. An employer is any person or organization for whom an individual performs any service as an employee. The term includes federal, state and local government agencies as well as religious, charitable, educational and other nonprofit organizations even though they may be exempt for other tax purposes.

If in the course of your trade or business you pay compensation of more than \$1,500 during the calendar year to a nonresident contractor for personal services performed in North Carolina, you must withhold North Carolina income tax at the rate of 4 percent from the compensation. A nonresident contractor is a nonresident individual who performs or a nonresident entity that provides for the performance in North Carolina for compensation other than wages of any personal services in connection with a performance, an entertainment or athletic event, a speech or the creation of a film, radio, or television program. However, tax is not required to be withheld from a nonresident tax exempt organization, provided you obtain and keep on record documentation of the corporation's exemption from tax, such as a copy of the organization's federal determination letter of tax exemption or a copy of a letter of tax exemption from the Department of Revenue.

## **6.2:**

### **FILING REQUIREMENTS**

Each new employer who is required to withhold North Carolina income tax must obtain a withholding identification number from the Department by filing Form NC-BR, Business Registration Application for Income Tax Withholding, Sales and Use Tax, and Machinery, Equipment, and Manufacturing Fuel Tax. The identification number will be used on all reports and correspondence concerning withholding. Amounts withheld are considered held in trust until paid to the Department. Due dates for reporting and paying the tax depends on the amount of tax withheld each month. Employers withholding less than \$250 per month report and pay the tax quarterly. Employers who average withholding of at least \$250 but less than \$2,000 per month report and pay monthly. Employers who average withholding \$2,000 or more per month make payments on the dates federal deposits are required and file quarterly reports.

If you are required to withhold on non-wage compensation paid to nonresident contractors, the withholding report and payment are due on a quarterly basis. However, if you withhold from both non-wage and wage compensation, you may choose to treat withholding from non-wage compensation like the wage withholding and report the non-wage withholding with the wage withholding.

If you are required to withhold State tax on a pension payment to a North Carolina resident, the withholding report and payment are due on a quarterly basis. However, if you withhold on pension payments and wage compensation, you may choose to treat withholding from pension payments like the wage withholding and report the pension payment withholding with the wage withholding.

For full details on procedures for reporting and paying North Carolina income tax withholding, see the Income Tax Withholding Tables and Instructions for Employers (Form NC-30).

## **SECTION SEVEN: GROSS RECEIPTS TAX *G.S. §§ 105-37.1 and 105-40***

## **7.1:**

### **GENERAL PROVISIONS**

North Carolina Revenue Law, G.S. §105-37.1, requires every person engaged in giving, offering, or managing any form of entertainment or amusement for which an admission is charged to pay a tax at the rate of three percent (3%) upon the gross

receipts of the activities. The three percent (3%) tax levy also applies to dances or athletic contests of any kind, except high school and elementary school athletic contests, for which an admission fee in excess of fifty cents (50¢) is charged.

## **7.2:**

### **REGISTRATION**

There is no official registration required with the Department of Revenue. Once an organization begins filing the Amusement Gross Receipts Tax Return (Form B-205), an account will be set up and account number assigned to the taxpayer. Organizations are responsible for filing monthly returns and paying tax due from the inception of engaging in a form of entertainment or amusement, unless exempt as specified in G.S. 105-40.

## **7.3:**

### **EXEMPT AMUSEMENTS**

Nonprofit organizations that are exempt for franchise and income tax purposes are not automatically exempt from the gross receipts tax imposed under G.S. § 105-37.1. However, the following forms of amusement are exempt from the gross receipts tax under G.S. § 105-40:

- i. Exhibitions, performances, and entertainments produced exclusively by local talent, for the benefit of religious, charitable, benevolent or educational purposes, are exempt from the gross receipts tax if no compensation is paid to the local talent.
- ii. The North Carolina Symphony Society, Incorporated, as specified in G.S. 140-10.1
- iii. Exhibits, shows, attractions, and amusements operated by a society or association organized under the provisions of the Agriculture laws, Chapter 106 of the General Statutes may also be exempt from the gross receipts tax if the society or association obtains a permit from the Secretary to operate without the payment of the tax.
- iv. Outdoor historical dramas as specified in Article 19C, Chapter 143 of the General Statutes.
- v. Elementary and secondary school athletic contests, dances, and other amusements.
- vi. The first one thousand dollars (\$1,000) of gross receipts derived from dances and other amusements actually promoted and managed by civic or fraternal organizations is exempt from the tax when the entire proceeds of the dances or

other amusements are used exclusively for civic and charitable purposes of the organizations and not to defray the expenses of the organization conducting the dance or amusement.

- vii. A youth athletic contest with an admissions price that does not exceed ten dollars (\$10.00) sponsored by a person exempt from income tax under Article 4 of the North Carolina Revenue Law.
- viii. All dances, motion picture shows, and other amusements, except athletic events, promoted and managed by a qualifying corporation that operates a center for the performing and visual arts if the dance or other amusement is held at the center are exempt from the gross receipts tax. "Qualifying corporation" means a corporation that is exempt from income tax under G.S. 105-130.11(a)(3). "Center for the performing and visual arts" means a facility, having a fixed location, that provides space for dramatic performances, studios, classrooms, and similar accommodations to organized arts groups and individual artists.
- ix. Exhibitions, performances, and entertainments, except athletic events, promoted and managed by a nonprofit arts organization. The organization must be exempt from income tax under G.S. 105-130.11(a)(3) and its primary purpose must be to offer choral and theatrical performances.
- x. A person that is exempt from income tax under Article 4 of the North Carolina Revenue Laws and is engaged in the business of operating a teen center is exempt from the tax. A "teen center" is a fixed facility whose primary purpose is to provide recreational activities, dramatic performances, dances, and other amusements exclusively for teenagers.

NOTE: Dances and other amusements sponsored by a nonprofit corporation and held at a "center for the performing and visual arts" or a "teen center" are not automatically exempt from the gross receipts tax. The Center's exemptions do not flow through to the organization sponsoring the event.

- xi. Entertainments or amusements offered or given on the Cherokee Indian reservation when the person giving, offering, or managing the entertainment or amusement is authorized to do business on the reservation and pays the tribal gross receipts levy to the tribal council.
- xii. Arts festivals held by a person that is exempt from income tax under Article 4 of the North Carolina Revenue Laws are exempt if all of the following conditions are met:
  - a. The person holds no more than two arts festivals during a calendar year.
  - b. Each of the person's arts festivals last no more than seven consecutive days.

- c. The arts festivals are held outdoors on public property and involve a variety of exhibitions, entertainments, and activities.
- xiii. Community festivals held by a person that is exempt from income tax under Article 4 of the North Carolina Revenue Laws are exempt if all of the following conditions are met:
  - a. The person holds no more than one community festival during a calendar year.
  - b. The community festival lasts no more than seven consecutive days.
  - c. The community festival involves a variety of exhibitions, entertainments, and activities, the majority of which are held outdoors and are open to the public.
- xiv. Farm-related exhibitions, shows, attractions, or amusements offered on land used for bona fide farm purposes as defined in G.S. 153A-340.

## **7.4:**

### **FILING REQUIREMENTS**

The Amusement Gross Receipts Tax Return (Form B-205) must be filed with and the tax paid to the Department of Revenue by the 10<sup>th</sup> day after the end of each month and covers the gross receipts received during the previous month. If you need assistance with completing and filing the return, you may contact a local Revenue Field Office or call the Amusement Tax Division at telephone number (919) 733-3641.

Any written correspondence should be mailed to:

North Carolina Department of Revenue  
Amusement Tax Division  
Post Office Box 25000  
Raleigh, NC 27640-0001

## **SECTION EIGHT: FREQUENTLY ASKED QUESTIONS**

### **8.1:**

#### **CORPORATE FRANCHISE AND INCOME TAX**

1. How does my nonprofit organization apply for (or obtain) tax-exempt status?



Send the Department of Revenue a copy of your Articles of Incorporation and Bylaws (if incorporated) or your Bylaws, Constitution, or other organizational documents (if not incorporated) and a copy of your Federal Determination Letter (if you have one). These documents should be sent to:

North Carolina Department of Revenue  
Taxpayer Assistance Division  
Corporate Tax  
Post Office Box 25000  
Raleigh, NC 27640-0001

**2. What does the Department of Revenue look for in determining the tax status?**

The Department of Revenue reviews the purpose of the organization (how it is operating and what it is doing), where the money is coming from or how it is being used (net earnings provision), and how money will be distributed when the organization dissolves (dissolution provision).

**3. Does the Department of Revenue assign a tax-exempt number?**

No. The Department of Revenue does not issue tax-exempt numbers. Upon receipt and review of the nonprofit organization's Articles of Incorporation and Bylaws, the Department of Revenue issues a letter indicating the organization's tax-exempt status in North Carolina ("tax-exempt letter").

**4. My organization has just incorporated with the Secretary of State. Does my organization need to register with the Department of Revenue to become tax-exempt?**

No. After an organization has incorporated with the Secretary of State, the Secretary of State's office sends the Department a list of new corporations. The Department creates a file for the newly incorporated organization and generates a questionnaire. This process should take approximately 2-3 months from the month of incorporation. Once the questionnaire is completed and returned along with a copy of your Articles of Incorporation and Bylaws (refer to answer in question #1), a determination of the tax status is made and a letter sent to the qualified nonprofit organizations informing them whether they are tax exempt or taxable.

**5. My nonprofit organization received tax-exempt status several years ago from the Department of Revenue. Can I get a copy of my tax-exempt letter?**

Yes. If an organization received tax-exempt status from the Department of Revenue, a copy of the "tax-exempt letter" is filed with the Department. The organization must submit a written request for the copy of the letter to:

North Carolina Department of Revenue  
Taxpayer Assistance Division  
Corporate Tax  
Post Office Box 25000  
Raleigh, NC 27640-0001

**6. My nonprofit organization has been suspended. How do I get it reinstated?**

Generally, a nonprofit organization is suspended by the Department of Revenue for one of the following reasons:

- i. Failure to file a copy of Articles of Incorporation and Bylaws
- ii. Failure to file additional requested information
- iii. Failure to file a copy of the Federal Determination Letter
- iv. Failure to file a tax return to report unrelated income

If a nonprofit organization has been suspended for one of the reasons listed above, the organization must provide the information requested and pay a \$25.00 reinstatement fee to have its suspension lifted.

**7. What do I need to conduct a raffle or bingo?**

For a nonprofit exempt organization to conduct bingo games, it must apply for a license through the Department of Crime Control and Public Safety, Alcohol Law Enforcement Division. In order to obtain a license, the organization must be tax-exempt and have a copy of its tax-exempt letter from the North Carolina Department of Revenue. There is no formal registration required for a nonprofit organization recognized as tax-exempt by the Department of Revenue to conduct raffles.

Additional information on raffles and bingo is available from the Criminal Division of the Office of the North Carolina Attorney General.

**8. Do I need a Federal Determination Letter stating that my organization is tax-exempt in order to be exempt for North Carolina tax purposes?**

No. However, North Carolina follows the Federal Code and if you are tax-exempt for federal income tax purposes, your organization would be exempt with North Carolina, provided the proper documents are filed (refer to question #1). You can apply for the federal tax exemption and North Carolina tax exemption simultaneously.

**9. What happens if the Department of Revenue issues a tax-exempt letter and later the IRS denies the organization's request for tax exemption?**

The Department of Revenue would revoke the organization's North Carolina tax exemption and require them to file tax returns as if the organization had been a taxable entity from the date of incorporation.

**10. Do property owners' associations qualify for exemption from franchise and income tax?**

Under G.S. 105-125(a)(8) and G.S. 105-130.11(a)(11), the exemption for homeowners' or property owners' associations is restricted to residential property only. Associations made up of commercial property (ex. office parks or shopping centers) do not qualify for exemption.

**11. My tax-exempt organization is required to file a North Carolina Corporate Franchise and Income Tax Return (Form CD-405) to report unrelated business income. Is my organization required to complete the franchise tax schedules and submit the franchise tax on the return?**

No. Except as otherwise provided by North Carolina Revenue Law, an organization that is qualified for exemption from federal income tax under the Code is exempt from the franchise taxes imposed under Article 3 of the North Carolina Revenue Law. [G.S. 105-125(a)(9)].

**12. A nonprofit organization is a political organization as described in Section 527(f)(3) of the Code. The organization is required by the Internal Revenue Service to file Form 1120-POL to report its taxable income. Are there any reporting or filing requirements in North Carolina for political organizations?**

Yes. A political organization is taxable at the corporate rate on net income not related to its exempt function pursuant to Section 527(c) of the Internal Revenue Code. Therefore, a political organization, which is required to file and report taxable income with the IRS on Form 1120-POL, is required to file a North Carolina Corporate Franchise and Income Tax Return (CD-405) and submit the income tax on its taxable income. Tax returns for political organizations are due by the 15<sup>th</sup> day of the 3<sup>rd</sup> month following the close of the income year.

**13. A nonprofit organization is organized and operates as a tax-exempt, nonprofit corporation. Are contributions made to the organization automatically tax deductible?**

No. The contribution must be made to a qualified organization to be tax deductible. North Carolina Revenue Law provides that only charitable contributions as defined in Section 170(c) of the Code are allowed as a deduction. To become a qualified organization, most organizations, other than churches and governments, must apply to the Internal Revenue Service. Generally, only the five following types of organizations, can be qualified organizations:

- i. A community chest, corporation, trust, fund, or foundation organized or created in or under the laws of the United States, any state, the District of Columbia, or any possession of the United States (including Puerto Rico). It must be organized and

operated only for charitable, religious, scientific, literary, or educational purposes, for the prevention of cruelty to children or animals, or fostering national or international sports competition.

- ii. War veterans' organizations, including posts, auxiliaries, trusts, or foundations, organized in the United States or any of its possessions.
- iii. Domestic fraternal societies, orders, and associations operating under the lodge system. Contributions to this type of organization are deductible only if they are used solely for charitable, religious, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals.
- iv. Certain nonprofit cemetery companies or corporations. Contributions to this type of organization are not deductible if they can be used for the care of a specific lot or mausoleum crypt.
- v. The United States or any state, the District of Columbia, a U.S. possession (including Puerto Rico), a political subdivision of a state or U.S. possession, or an Indian tribal government or any of its subdivisions that perform substantial government functions. Contributions to this type of organization must be made solely for public purposes.

## **8.2:**

### **SALES AND USE TAX**

#### **1. Do nonprofit organizations have to pay sales or use tax on items they purchase for use?**

Yes. North Carolina does not exempt nonprofit organizations from paying sales or use tax on items they purchase for use.

#### **2. Are all nonprofit organizations eligible for refunds of the sales and use taxes paid?**

No. G.S. 105-164.14(b) provides that the following nonprofit entities may file for semiannual refunds of the sales and use taxes paid on purchases of tangible personal property for use in carrying on their nonprofit work:

- i. Hospitals not operated for profit, including hospitals and medical accommodations operated by an authority created under the Hospital Authorities Law, Article 2 of Chapter 131E of the General Statutes.
- ii. Educational institutions not operated for profit.
- iii. Churches, orphanages and other charitable or religious institutions and organizations not operated for profit.

- iv. Qualified retirement facilities whose property is excluded from property tax under G.S. 105-278.6A.

**3. What information does the Department of Revenue need to determine whether an organization qualifies for sales and use tax refunds?**

A nonprofit organization must furnish the Department of Revenue with a copy of the documents used to create the organization. If the organization is incorporated, it should furnish a complete copy of its Articles of Incorporation, Articles of Amendment, and Bylaws. If the organization is not incorporated, it should furnish a copy of its Bylaws, Constitution, or whatever documents were used to create the organization.

**4. An organization has a Section 501(c)(3) Federal exempt status. Does the organization automatically qualify to receive sales and use tax refunds?**

No. The Department must review the documents used to create the nonprofit organization to determine whether it qualifies for refunds of sales and use taxes paid.

**5. A corporation has received an exempt status for franchise and income tax purposes from the Department of Revenue. Does the corporation automatically qualify to receive sales and use tax refunds?**

No. The exempt status applies only to the organization's status under the corporate income and franchise tax laws. In order for the Department to determine that the corporation is eligible to receive sales and use tax refunds, the Department must first review the documents that created the corporation.

**6. What do you look for in determining whether an organization is eligible to receive refunds of sales and use taxes?**

The Department reviews the purposes of the organization, the organization's specific programs and activities, any charges made for the programs and activities, and who benefits from these programs and activities. The Department also looks for provisions confirming that the organization is not operated for profit and provisions explaining how the organization's assets will be distributed in the event of dissolution.

**7. Can an organization file a claim for refund before the Department of Revenue determines that the organization qualifies to receive sales and use tax refunds?**

Yes. The organization may file a claim for refund before the Department makes a determination concerning the organization's eligibility to receive sales and use tax refunds. To assist the Department in making the determination in a timely and efficient manner, copies of the documents that were used to create the organization should be attached to the initial claim for refund.

**8. How does an organization file a claim for refund?**

The organization should complete Form E-585, Nonprofit and Governmental Entity Claim for Refund State and County Sales and Use Taxes. The form(s) should be mailed to:

North Carolina Department of Revenue  
Taxpayer Assistance Division  
Sales and Use Tax Unit  
Post Office Box 25000  
Raleigh, NC 27640-0001

**9. Who can offer assistance if I have trouble completing Form E-585?**

A completed sample form and more detailed instructions are available on our website at [www.dornrc.com/downloads/e585\\_sample\\_and\\_faq.pdf](http://www.dornrc.com/downloads/e585_sample_and_faq.pdf). You may also contact any local field office or call the Department's Taxpayer Assistance Call Center at 1-877-252-3052. Any written correspondence should be mailed to the address in number 8.

**10. How often do I file Form E-585?**

Claims for refund are filed semiannually. The claim for refund of the sales and use taxes paid during the period January 1 through June 30 is due to be filed by October 15th of the same year. The claim for refund for the period July 1 through December 31 is due to be filed by April 15th of the following year.

**11. What if the organization's claim for refund is filed late?**

Claims for refund filed more than three years after the due date are barred by statute.

**12. Should the receipts or invoices be mailed with the organization's claim for refund?**

No. Receipts and invoices should be kept for a period of three years beyond the date the refund claim is due to be filed or three years beyond the date the claim is filed, whichever is later.

**13. Does a nonprofit organization have to charge sales tax on the items it sells?**

Yes. The organization must charge tax unless the sales are specifically exempt by North Carolina statutes (see response to number 15). If the organization is liable for collecting sales or use tax, the organization must register with the Department of Revenue for sales and use tax purposes.

**14. How does an organization register with the Department of Revenue?**

The organization must obtain a Certificate of Registration by completing Form NC-BR, Business Registration Application for Income Tax Withholding, Sales and Use Tax, and Machinery, Equipment and Manufacturing Fuel Tax. There is no fee for the Certificate.

**15. Are there any situations in which a nonprofit organization will be exempt from collecting sales tax?**

Yes. However, in order to be able to issue a Form E-595E, Streamlined Sales Tax Agreement Certificate of Exemption to the supplier, the nonprofit organization must still register with the Department even if the organization is exempt from collecting sales tax. The Streamlined Sales Tax Agreement Certificate of Exemption is furnished by the organization to the organization's vendor as the vendor's authority for not charging tax on the items that will be resold by the organization. Some examples of situations where a nonprofit organization will be exempt from collecting sales tax are:

- i. Sales of food by a church or religious organization not operated for profit when the proceeds of the sale are actually used for religious activities. G.S. 105-164.13(31a). All other sales of tangible personal property by a church or religious organization not operated for profit are subject to sales tax.
- ii. Sales by a nonprofit civic, charitable, educational, scientific or literary organization if the net proceeds of the sales will be given or contributed to the State of North Carolina or to one or more of its agencies or instrumentalities. G.S. 105-164.13(34).
- iii. Sales by a nonprofit civic, charitable, educational, scientific, literary or fraternal organization if its sales are conducted on an annual basis for the purpose of raising funds for its activities and the proceeds are actually used for such purposes. No sales are exempt, however, if the sales are not actually consummated within 60 days of the first solicitation. G.S. 105-164.13(35).

**16. When can an organization registered for sales and use tax purposes issue a Streamlined Sales Tax Agreement Certificate of Exemption, Form E-595E?**

If an organization is registered with the Department, the organization should execute a Streamlined Sales Tax Agreement Certificate of Exemption, Form E-595E, only when purchasing items for resale. The organization will not pay sales tax on the items purchased for resale but will collect tax on the items when sold unless the sales are specifically exempt by statute.

**17. If an organization wants to purchase a personal computer to use, can it issue a Streamlined Sales Tax Agreement Certificate of Exemption when making the purchase?**

No. The Streamlined Sales Tax Agreement Certificate of Exemption should never be issued when purchasing items for use. The Streamlined Sales Tax Agreement Certificate of Exemption is to be issued only when an organization is buying items for resale.

**18. Who can I call if I have more questions concerning exemptions from sales tax?**

You may contact one of our local field offices or telephone the Taxpayer Assistance Call Center at 1-877-252-3052. Any correspondence can be mailed to:

North Carolina Department of Revenue  
Taxpayer Assistance Division  
Post Office Box 25000  
Raleigh, NC 27640-0001

**8.3:**

**PROPERTY TAX**

**1. A nonprofit organization was recently qualified as tax-exempt by the Department of Revenue. Is the organization automatically exempt from property tax?**

No. There are no automatic exemptions or exclusions from property tax. However, there are provisions within the North Carolina statutes that provide exemptions for certain real and personal property held by nonprofit religious, educational, charitable and scientific organizations. The property must be used for the purposes of the nonprofit organization in order to be exempt from the tax.

**2. How does a nonprofit institution or organization claim exemption (exclusion) from property tax for property it owns?**

Under G.S. 105-282.1, every owner of property claiming an exemption or exclusion from property tax must file an application for the exemption or exclusion during the listing period. The listing period is the month of January unless the County Assessor has granted the owner an extension to file the personal property return. In this case the extended listing period becomes the listing period. A request for extension to list must be made during the month of January. If the property is appraised by the Department of Revenue, the application should be filed with the Department. Otherwise, the application should be filed with the assessor of the county in which the property is located.

**3. How often does a nonprofit institution or organization need to file the application for the exemption or exclusion from property tax?**

Under G.S. 105-282.1, the application must be filed annually, unless the organization is approved for exemption under G.S. 105-278.3 through 105-278.8 or exclusion under G.S. 105-275(3), (7), (8), (12), (17) through (19), (21), or (39), G.S. 105-277.1, or G.S. 105-278. If the organization is approved for exemption under one of the preceding



provisions, it is not required to file an application in subsequent years for the same property unless: a) improvements are added or removed, necessitating a change in the valuation of the property, or b) there is a change in the use of the property.

**4. A nonprofit institution or organization owns rental property. Is the property subject to property tax?**

Yes. Under G.S. 105-278.3 through G.S. 105-278.8, the property must be wholly or exclusively used by its owner for the expressed purpose of the nonprofit organization, or gratuitously occupied and wholly and exclusively used by the occupant for religious, charitable, or nonprofit educational, literary, scientific, or cultural purposes.

**5. A nonprofit organization has just bought a vacant piece of land which it will not use now, but will build a meeting lodge on later. Is the land exempt from property tax?**

No. In order for the property to be exempt, it has to be in use by the organization or used gratuitously by another qualifying organization.

**6. Who can I call if I have more questions concerning exemptions from property tax?**

You may contact the County Assessor's Office in the county where the property is located, or you may call (919) 733-7711 or send any correspondence to:

North Carolina Department of Revenue  
Property Tax Division  
Post Office Box 871  
Raleigh, NC 27602-0871

## **8.4:**

### **MOTOR FUELS TAX**

**1. A nonprofit corporation has received an exempt status for franchise and income tax purposes from the Department of Revenue. Does the corporation automatically qualify to receive a refund of road tax due on motor fuels under G.S. 105-449.106?**

No. The fact that an organization may be organized and operated as a nonprofit entity does not automatically qualify the organization for a refund. For example, under the provisions of G.S. 105-449.106(2), the organization must have some agreement with a unit of local government to transport passengers. The law is strictly construed and an organization must comply completely in order to qualify for a refund. All refund applications must be substantiated by proper documentary proof of purchase of fuel and payment of tax. An initial applicant must also submit with its application a copy of its

corporate charter, a copy of the qualifying contract with a governmental entity, and a copy of the minutes from one of its meetings.

**2. How does an organization file a claim for refund?**

The organization should complete a Form Gas 1200, Application for Refund of Road Tax Due on Motor Fuels, and mail it to:

North Carolina Department of Revenue  
Motor Fuels Tax Division  
Post Office Box 25000  
Raleigh, NC 27640-0001

**3. Should the receipts or invoices be mailed in with the organization's claim for refund?**

Yes. The Motor Fuels Tax Division requires copies of the receipts or invoices to be mailed with the organization's refund.

**4. Who can offer assistance if I have trouble completing Form Gas 1200?**

You may contact a local Revenue Field Office or call the Motor Fuels Tax Division at telephone number (919) 733-3409. Any written correspondence should be mailed to the address in number 2.

**5. How often do I file Form Gas 1200?**

Applications for refunds are filed quarterly. An application for a quarterly refund of excise tax is due by the last day of the month following the end of the calendar quarter for which the refund is claimed. The application must state that the applicant has paid for the fuel for which a refund is claimed or that payment for the fuel has been secured to the seller's satisfaction. The claim for refund of excise taxes paid during the first quarter (January 1 through March 31st) is due to be filed by April 30<sup>th</sup>. The claim for refund for the second quarter (April 1 through June 30th) is due to be filed by July 31<sup>st</sup>. The claim for refund for the third quarter (July 1 through September 30th) is due to be filed by October 31<sup>st</sup>. The claim for refund for the last quarter (October 1 through December 31st) is due to be filed by January 31<sup>st</sup> of the following year.

**6. What if the organization's claim for refund is filed late?**

Effective for fuel purchased on or after January 1, 1999, the penalty provisions for late applications for all motor fuel refunds were repealed. However, an application for refund filed more than three years after the date the application is due is barred by statute (G.S. 105-449.108).

## **8.5:**

### **WITHHOLDING TAX**

#### **1. How do I determine the amount of income tax to withhold from an employee?**

The amount of income tax required to be withheld is based on the employee's filing status, the payroll period; i.e., weekly, biweekly, monthly, etc., the employee's gross wages for the period, and the number of withholding allowances claimed by the employee. The withholding tables containing this information are in Form NC-30. The tax withheld can also be computed by using the percentage method or annualized method shown in Form NC-30.

#### **2. How do I obtain forms for paying tax withheld?**

An employer will receive preaddressed forms after registering for withholding or you may pay online.

#### **3. What is the penalty for not filing a withholding return on time or for failure to withhold or pay the tax when due?**

The penalty for failure to file a withholding return is 5 percent of the tax due per month (maximum 25 percent). A penalty of 10 percent is required for failure to withhold or pay the tax when due. Interest is due from the time the tax was due until paid.

#### **4. Is tax required to be withheld from a nonresident tax-exempt corporation?**

No. However, if tax is not withheld, you must obtain and keep on record documentation of the corporation's exemption from tax, such as a copy of the organization's federal determination letter of tax exemption or a copy of a letter of tax exemption from the Department of Revenue.

#### **5. Should an employer file a withholding return if he temporarily ceases to pay wages?**

An employer should continue to file a return based on his regular filing frequency even though the employer has no withholding or wages to report. The return should reflect zeros for the reporting period.

#### **6. What procedures should an employer follow if the employer goes out of business or ceases to pay wages permanently?**

The employer should complete the "Out of Business Notification" contained in the personalized coupon booklet and include it with the final return. Within 30 days of the last payment of wages, the employer should file an annual reconciliation with Departmental copies of the wage and tax statements and give the employees their copies.

## **8.6:**

### **GROSS RECEIPTS TAX**

- 1. We are a nonprofit organization exempted from franchise and income taxes under G.S. 105-125, 105-130.11 and IRC 501(c)(3). Are we exempted from the gross receipts tax levied under G.S. 105-37.1?**

No. The fact that a nonprofit organization has been exempted from franchise and income taxes under G.S. 105-125, 105-130.11 and IRC 501 (c)(3) does not automatically qualify the organization for exemption under G.S. 105-40. In order to qualify for the exemption, they must meet specific qualifications addressed in G.S. 105-40.

- 2. We are a nonprofit organization and will be arranging and sponsoring a dance at a center for the performing and visual arts we rented. If the center is exempted from the gross receipts tax imposed under G.S. 105-37.1, are we exempt from the gross receipts tax also?**

No. The events held and sponsored by the center, itself, are exempt (providing they have met all the qualifications under G.S. 105-40). However, renters of the center's facilities are not exempt. They must pay the gross receipts tax or qualify for exemption. They cannot under any circumstances use the center's exempt status. They should contact the North Carolina Department of Revenue concerning eligibility for exemption.

- 3. If a qualifying corporation holds any event at a location other than the location for which the exemption was approved under G.S. 105-37.1, will the qualifying corporation still be exempted from the gross receipts tax?**

No. Exemptions are granted to specific locations. An approved exemption is not applicable at any other location except for the specific location that was approved for the event. Therefore, the event and the qualifying corporation would be subject to the gross receipts tax unless the corporation meets the general exemption provisions of G.S. 105-40.

# **DIRECTORY**

## **NORTH CAROLINA STATE GOVERNMENT**

Department of Revenue  
Post Office 25000  
Raleigh, North Carolina 27640-0001

Corporate Tax Exempt Status Issues: (877) 919-1819 (Ext.10094)  
Corporate Tax Questions: (877) 919-1819 (Ext.10094)  
Sales Tax Questions: Taxpayer Assistance Call Center (877) 252-3052  
Withholding Questions: (919) 733-4626

Department of Revenue  
Motor Fuels Tax Division  
Post Office Box 25000  
Raleigh, NC 27640-0001  
(919) 733-3409

Department of Revenue  
Property Tax Division  
Post Office Box 871  
501 North Wilmington Street  
Raleigh, North Carolina 27602-0001  
(919) 733-7711

Department Of Secretary Of State  
Corporations Division  
Post Office Box 29622  
Raleigh, North Carolina 27626-0622  
(919) 807-2225

Department Of Crime Control & Public Safety  
Alcohol Law Enforcement  
P.O. Box 29589  
Raleigh, North Carolina 27626-05896  
(919) 733-4060

## **FEDERAL GOVERNMENT**

### **Internal Revenue Service Forms and Tax Information:**

(800) 829-3676

### **General Tax Information:**

(800) 829-1040

### **Information for Nonprofits**

(877) 829-5500

### **Send the determination letter application and Form 8718, User Fee for Exempt Organization Determination Letter Request, to:**

Internal Revenue Service  
Post Office Box 192  
Covington, Kentucky 41012-0192

Requests other than applications for recognition of exemption (for example, requests for rulings involving feeder organizations, application of excise taxes to activities of private foundations, taxation of unrelated business income, etc.) should be sent to:

Internal Revenue Service  
Attention: EO Letter Rulings  
P.O. Box 27720, McPherson Station  
Washington, CC 20038

These requests, like applications for recognition of exemption, must be accompanied by the appropriate user fee.

### **To Inquire on the Status of Determination Letters:**

(877) 829-5500

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