

## REG-1E APPLICATION FOR ST-5 EXEMPT ORGANIZATION CERTIFICATE - Questions and Answers

- 1. Q. Once our REG-1E application is complete and approved, when will the ST-5 be sent to us?**

A. The State will mail the ST-5 certificate approximately 3-4 weeks after final approval.
- 2. Q. Is there a state fee to file the REG-1E application?**

A. No.
- 3. Q. Can we apply for exemption before we receive an IRS "section 501(c)(3)" determination letter?**

A. Yes. After formation of the organization, submit an REG-1E application, which the Division keeps on file for 1 year. Then send us a copy of your IRS 501(c)(3) letter, upon receipt. If the REG-1E application is approved, the exemption will be retroactive to the date of receipt of the REG-1E by the Division (or the date of formation of the organization, if the Division receives the REG-1E within 6 months of formation.)
- 4. Q Are there types of organizations besides "501(c)(3)" organizations that qualify for exemption from sales tax?**

A. Yes. The following types of organizations are listed as exempt in the sales and use tax law: volunteer fire companies; rescue, ambulance, first aid or emergency companies or squads; veterans' organizations and their auxiliaries; and PTO's/PTA's of an elementary or secondary school. These kinds of organizations may apply and be approved for sales tax exemption without an IRS section 501(c)(3) determination letter. Churches not having IRS "501(c)(3)" letter: mail or FAX your REG-1E application, organizational documents and bylaws. If we need additional documentation, we will contact you with the details.
- 5. Q. Do fraternal organizations, social clubs (e.g. senior citizens clubs) or civic, business, labor, or condo/homeowner associations qualify for exemption?**

A. No. To qualify for exemption from sales and use tax, an organization must be organized and operated exclusively for religious, charitable, scientific, literary, educational or prevention of animal cruelty purposes or for one of the purposes listed in the answer above.
- 6. Q. Can my organization's sales and use tax exemption be retroactive?**

A. See answer to 3 above. You may request a refund of NJ sales tax, with form A-3730, on purchases delivered after the ST-5 effective date (which usually is the date the Division received your REG-1E).
- 7. Q. If we file an REG-1E application form, do we also need to file the NJ-REG Business Registration form?**

A. No, except if the nonprofit must register for withholding tax or other tax. The "Taxes" section of the NJ REG package describes the possible tax liabilities. For information on withholding tax, call Customer Services at (609) 292-6400.
- 8. Q. Can my organization use an ST-4 or CA-1 (Certificate of Authority), or another state's exemption certificate, for exemption from sales tax in New Jersey as a nonprofit?**

A. No. For exemption from New Jersey sales and use tax as a nonprofit organization, the required proof of exemption is the ST-5 exempt organization certificate.
- 9. Q. What are the sales and use tax exemptions provided by a valid ST-5 certificate?**

A. The organization is exempt on supplies, equipment, vehicles, meals, rooms and services (except energy) purchased with organizational funds for the organization's exempt purposes. Also, the organization is not required to collect sales tax on occasional fundraising sales or qualifying thrift store sales. For details, obtain Taxation's Technical Bulletin 46 at <http://www.state.nj.us/treasury/taxation/pdf/pubs/tb/tb46.pdf>

Note: New Jersey and federal government agencies should not complete the REG-1E application. They are not issued an ST-5 certificate. They may request an exemption letter. Mail the request and address details to: Regulatory Services Branch, NJ Division of Taxation, PO Box 269, Trenton, NJ 08695; or FAX to: (609) 989-0113. Other states and D.C. are not exempt in NJ; we cannot issue them an ST-5 or exemption letter.

For additional nonprofit information, go to: [www.state.nj.us/treasury/taxation/exemptintro.shtml](http://www.state.nj.us/treasury/taxation/exemptintro.shtml)