

**NONPROFITS USING ST-5 EXEMPT ORGANIZATION CERTIFICATE
FREQUENTLY ASKED QUESTIONS (February 2009)**

CERTIFICATE QUESTIONS

1. RENEWAL - *Does a nonprofit's ST-5 certificate need annual or periodic renewal?*

No. (Concerning organizational changes, see below.)

2. CHANGES or LOST ST-5 - *How do we obtain a new ST-5 certificate, if the name or address of our nonprofit changed, or we need a replacement?*

Send a written request, signed by an officer. For a **name change**, include a copy of the amendment to the incorporation, constitution or other document.

NOTE: NJ Corporations must file a name amendment with the Corporate Filing Unit, phone no. (609) 292-9292; then send a copy of the "stamped" name amendment filing to the address below.

Mail the request, copy of "old" ST-5 if available and above-mentioned documentation to:

Regulatory Services Branch – EO Unit
New Jersey Division of Taxation
PO Box 269
Trenton, NJ 08695-0269
FAX number: (609) 989-0113

There is NO FEE for an ST-5. Please allow 1 to 2 weeks for a new ST-5 to arrive. Until then (if you lost the ST-5): pay the tax, obtain a receipt showing payment of NJ sales tax and then use form A-3730 to apply for a refund of NJ sales tax.

3. NEW ST-5 –*What if a seller insists we provide an updated ST-5 certificate?*

The Division prints the nonprofit's name, address and exemption number on the ST-5. **If those entries are still correct and have not been altered on the form, the ST-5 is fully valid and should be accepted (when the purchase is directly paid and used by the nonprofit).** However, an updated ST-5 certificate may be requested, as instructed above.

4. DIRECTOR'S SIGNATURE - *Is an ST-5 with the signature of a former Director of the Division of Taxation valid?*

Yes. An ST-5 with no signature of a Division of Taxation Director, however, is invalid.

5. REIMBURSED PURCHASE - *If I use my own funds or a credit card billed to me, and subsequently get reimbursed by the exempt organization, does the purchase qualify for sales tax exemption?*

No. For exemption, the purchase must be made with the nonprofit's funds (check or credit card, etc., drawn on the account of the exempt nonprofit.)

6. ST-3/ST-4 CERTIFICATE - *If we cannot find a copy of the ST-5, may we use an ST-3 or ST-4 exemption certificate?*

No. If a nonprofit qualifies for an ST-5, the proper exemption certificate is the ST-5.

7. OUT-OF-STATE CERTIFICATE - *Is an exempt organization certificate issued by another state valid in New Jersey?*

No. The nonprofit must apply for the ST-5 (by completing an REG-1E application.)

OTHER QUESTIONS

8. FUNDRAISING SALES - *If our nonprofit has a valid ST-5 certificate, are we exempt from collecting sales tax for occasional **fundraising sales**?*

Yes. For examples of sales that meet this exemption, see Technical Bulletin 46.

9. THRIFT STORE - *If a nonprofit has a valid ST-5 and operates a "thrift store," is the store exempt from collecting sales tax?*

Yes -- if at least 75% of the work is done by volunteers and the merchandise is donated. See Technical Bulletin 46 for further information.

10. CORPORATE STATUS – *How can we determine if a nonprofit is a corporation?*

Go to: <https://accessnet.state.nj.us>, for New Jersey filed corporation. Read instructions & click on "Enter;" then use "Business Entity Search" & select a criterion, etc. For information, call the Corporate Filing Unit, Division of Revenue, at (609) 292-9292.

11. BANK ACCOUNT – *To open a bank account for a nonprofit, is an ST-5 certificate or state tax registration number required?*

No. Typically, banks need a Federal Employer Identification Number ("EIN"). It is obtained through the IRS. If a bank requests proof of "nonprofit" status, a copy of an

IRS determination letter, a nonprofit incorporation certificate or nonprofit “constitution” should suffice. If necessary, obtain specifics or examples from the bank.

12. IRS “501(c)” LETTER - *How do we obtain information on an IRS 501(c) determination or federal identification number?*

Call the federal IRS at (877) 829-5500 or go to www.irs.gov.

13. BRC - *If a nonprofit does business with (receives payment from) a New Jersey government agency, is it necessary to provide them a **Business Registration Certificate**?*

No. (At www.state.nj.us/treasury/revenue/busregcert.htm; scroll down to “Non-profit...”)

14. PROPERTY TAX - *Where do we obtain information about **property tax exemption**.*

The tax assessor’s office for the municipality where the property is located.

15. FORM 990 – *Do we need to file a 990 type of return with the Division of Taxation?*

No. You may, however, need to file a copy with the NJ Office of Charities Registration, telephone # (973) 504-6215. For information on filing a corporate annual report, go to: www.nj.gov/treasury/revenue/dcr/programs/ann_rpt.html.

17. NONPROFIT LIST – *Do you have a list of nonprofits approved for the ST-5?*

No. However, the Office of Charities Registration has a list of organizations registered with that office at: www.njconsumeraffairs.gov/charity/chardir.htm.

ANSWERS TO OTHER NONPROFIT QUESTIONS MAY BE FOUND AT:

www.state.nj.us/treasury/taxation/exemptintro.shtml.

*Issued by:
Regulatory Services Branch
Division of Taxation*