

## **Who qualifies for tax exemption in Maryland?**

Maryland law provides that a sales and use tax exemption certificate (SUTEC) may be issued only to a qualifying non-profit charitable, educational, or religious organization that is *physically located in Maryland or is located in an adjacent jurisdiction and provides its services within Maryland on a routine and regular basis*. The requirements are also explained on the attached application.

If a school meets the above requirements, it may apply for an exemption certificate by filing the Maryland SUTEC Application.

The Comptroller's office does not issue temporary or event-based exemption certificates.

The processing time for the Maryland SUTEC Application is typically six to eight weeks. If a school is eligible for an exemption certificate but is not issued the certificate prior to the event, it may apply for a refund of sales tax paid once the exemption certificate is issued.

*\*\*Public schools not located in Maryland are not eligible for an exemption certificate. The Maryland Comptroller does not issue exemption certificates to government agencies in other states.\*\**

In the event you determine some schools have or are eligible for the exemption certificate, the tax exempt transactions must be completed by the holder of the SUTEC, that is, the school. Teachers and students may not pay for the expenses using the school's exemption certificate and be reimbursed. Transactions completed by individual teachers and students are not tax exempt.

## **ATTENTION**

This Sales and Use Tax Exemption Certificate Application is for:

1. **FIRST TIME** sales and use exemption certificate filers or;
2. Organizations holding a card with expiration date of 2012 or earlier.
3. This form is **only** for a nonprofit organization, if you are not a nonprofit organization and want to apply for a **resale certificate**, you must have a valid Maryland sales and use tax license. To apply for one, you must complete the Combined Registration Application, online here:  
<https://interactive.marylandtaxes.gov/webapps/comptrollercra/entrance.asp>  
or by paper application. For the paper application or more information about resale certificates please visit [www.marylandtaxes.gov](http://www.marylandtaxes.gov)

If your organization is **RENEWING** its sales and use tax exemption certificate that expires September 30, 2017 then your organization must apply for the renewal of the sales and use tax exemption certificate.

All applicants must complete this page and Schedules A through D. Applicants that are churches holding worship services or other religious organizations holding worship services must also complete Schedule E. Failure to complete all required fields and schedules will result in the application being returned.

1. Federal Employer Identification Number (FEIN) (9 digits) (See Instructions)							
2. Full legal name of organization							
3. Street Address of physical business location (PO Box not acceptable)			City	County	State	ZIP code	+4
Telephone number		Fax number		E-mail address			
4. Mailing Address (PO Box acceptable)			City	State	ZIP code	+4	

5a. Please complete for authorized officer responsible for taxes. **(Required)**. An **Authorized Officer** is a person formally empowered by a business entity to conduct business on its behalf, or a person who can act in an official capacity on behalf of the organization, such as an executive director, CEO, CFO, COO, president, secretary, treasurer, deacon, elder, pastor or any other officer specified by the rules of operation, Articles of Incorporation or Bylaws.

Last Name	First Name	Social Security Number <b>(REQUIRED)</b>	
Title		Home Telephone	
Home address	City	State	ZIP

5b. Identify second corporate officer, trustee or member of organization (must be different from individual listed in 5a). **(Required)**.

Last Name	First Name	Social Security Number <b>(REQUIRED)</b>	
Title		Home Telephone	
Home address	City	State	ZIP

6. Describe the nonprofit business activity or service of the organization that generates revenue.

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7. Are you a non-profit organization exempt under Section 501(c)(3) of the Internal Revenue Code?  Yes  No

If no, Section (c) ( \_\_\_\_\_ ) or Other: Section \_\_\_\_\_ .

8. Does the business have any physical locations in Maryland?  Yes  No

(Do not count client sites or off site projects that will last less than one year.)

Under penalties of perjury, I declare that I have examined this application and to the best of my knowledge and belief it is true, correct and complete.

Check here if a power of attorney form is attached. \*

Print Name \_\_\_\_\_ Title \_\_\_\_\_ Signature\*\* \_\_\_\_\_ Date \_\_\_\_\_

Name of Preparer other than applicant \_\_\_\_\_ Telephone number \_\_\_\_\_ E-mail address \_\_\_\_\_

\* Beginning January 1, 2017, The Comptroller's Office will only accept the Maryland Form 548 (Power of Attorney). This form will not replace a Durable Power of Attorney or any other Power of Attorney Form authorized by Maryland Law.

\*\* If the business is a corporation, an officer of the corporation authorized to sign on behalf of the corporation must sign; if a partnership, one partner must sign; if an unincorporated association, one member must sign; if a sole proprietorship, the proprietor must sign. (The signature of any other person will not be accepted unless a power of attorney is attached.)

**SCHEDULE A**

- Generally, under Maryland law, if you apply for a Maryland sales and use tax exemption certificate as a religious, educational, or charitable organization, you must be qualified under Internal Revenue Code (IRC) § 501(c)(3). **Attach your organization's Internal Revenue Service issued IRC § 501(c)(3) determination letter.** (Do NOT send your FEIN letter, but a copy of your organization's IRS determination letter.)
- **Organizations Using Group Exemptions:** If you are covered under a group exemption, you must attach a copy of the Internal Revenue Service issued IRC § 501(c)(3) determination letter for your parent organization **and** a letter on letterhead from the holder of the group exemption that you are covered under that group number (the letter must be signed by an authorized officer of the parent organization) or current directory, such as the Catholic directory.
- **Veteran's Organizations:** Attach your Internal Revenue Service IRC § 501(c)(4) or IRC § 501(c)(19) letter.

**SCHEDULE B**

- Attach Articles of Incorporation and any amendments. Include all name change amendments, if any. All Articles of Incorporation must be signed. The Articles of Incorporation **or** Bylaws must contain a **dissolution clause** that provides for distribution of assets upon dissolution for exempt purposes conforming to IRS rules. Please indicate the dissolution clause by tabbing or highlighting the section.

**SCHEDULE C**

- Attach Bylaws and any amendments. These must be signed if signature block is provided. The Articles of Incorporation or Bylaws must contain a **dissolution clause** that provides for distribution of assets upon dissolution for exempt purposes conforming to IRS rules. Please indicate the dissolution clause by tabbing or highlighting the section.

**SCHEDULE D**

- **For Organizations Physically Located in Maryland**

- You may be required to register as a non-stock or religious organization and be in good standing with the Maryland State Department of Assessments and Taxation (SDAT), pursuant to Title 5 of the Corporations and Associations Article. If so, your application cannot be processed until you are in good standing. The standing of your organization may be confirmed on SDAT's online business database which can be accessed at:

**<https://egov.maryland.gov/businessexpress/entitysearch>**

**You must attach a letter of good standing issued by SDAT or a printout from the SDAT online database indicating the organization is in good standing.** Note the printout is free of charge.

- **For Organizations Physically Located in Delaware**

- You **must attach** a certificate of good standing from the Delaware Division of Corporations.

- **For Organizations Physically Located in Pennsylvania**

- You **must attach** a certificate of good standing from the Pennsylvania Department of State.
- You **must attach** your organization's sales and use tax exemption certificate from Pennsylvania.

- **For Organizations Physically Located in Virginia**

- You **must attach** a certificate of good standing from the Virginia State Corporation Commission.
- You **must attach** your organization's sales and use tax exemption certificate from Virginia.

- **For Organizations Physically Located in West Virginia**

- You **must attach** a certificate of good standing from the West Virginia Secretary of State.
- You **must attach** your organization's sales and use tax exemption certificate from West Virginia.

- **For Organizations Physically Located in Washington, D.C.**

- You **must attach** a certificate of good standing from the District of Columbia Department of Consumer and Regulatory Affairs.
- You **must attach** your organization's sales and use tax exemption certificate from Washington, D.C.

**SCHEDULE E**

If your organization is a church that holds worship services or other religious organization that holds worship services, you must complete Schedule E.

- Submit a copy of the rental/lease agreement and your latest worship bulletin for the location of your worship services if your physical address on the application is not the worship location and you rent/lease a separate location. If you worship out of a personal residence, you must attach an agreement from your local county zoning board or county regulation which allows for a home church.



### Instructions

**Qualifying organizations must complete Maryland Sales and Use Tax Exemption Certificate Application (SUTEC Application) and attach the required documents to the corresponding schedules. The SUTEC Application and applicable schedules must be completed in their entirety for the application to be processed.**

Generally, under Maryland law, if you apply for a Maryland Sales and Use Tax Exemption Certificate as a religious, educational, or charitable organization, you must be qualified under Internal Revenue Code (IRC) Section 501(c)(3). You also must operate your organization out of physical business location in Maryland, Delaware, Pennsylvania, Virginia, Washington, D.C. or West Virginia. Maryland law provides that you must be in Maryland or one of these adjacent jurisdictions to qualify. Other states **DO NOT** qualify and your application will be denied.

### Form SUTEC

All fields must be completed.

Enter the Federal Employer Identification Number (FEIN) of the applicant on line 1. A FEIN is required by: all corporations, LLCs, partnerships, nonprofit organizations, and sole proprietorships who pay wages to one or more employees. A sole proprietorship with no employees, other than self, is not required to have a FEIN. If you do not have a FEIN, one can be obtained by visiting the IRS at [www.irs.gov](http://www.irs.gov).

For the purposes of completing line 5a, an **Authorized Officer** is a person formally empowered by a business entity to conduct business on its behalf, or a person who can act in an official capacity on behalf of the organization, such as an executive director, CEO, CFO, COO, president, secretary, treasurer, deacon, elder, pastor or any other officer specified by the rules of operation, Articles of Incorporation or Bylaws.

### Schedule A:

**Attach your organization's Internal Revenue Service issued IRC § 501(c)(3) determination letter.** (Do NOT send your FEIN letter, but a copy of the IRS determination letter for your organization.)

**Organizations Using Group Exemptions:** If you are covered under a group exemption, you must attach a copy of the Internal Revenue Service issued IRC § 501(c)(3) determination letter for your parent organization **and** a letter on letterhead from the holder of the group exemption that you are covered under that group number (the letter must be signed by an authorized officer of the parent organization) or current directory, such as the Catholic directory.

### Schedule B:

Attach Articles of Incorporation and any amendments. Include all name change amendments, if any. All Articles must be signed. The Articles of Incorporation **or** Bylaws must contain a dissolution clause that provides for distribution of assets upon dissolution for exempt purposes conforming to IRS rules. Please indicate the dissolution clause by tabbing or highlighting the section.

### Schedule C:

Attach Bylaws and any amendments. These must be signed if signature block is provided. The Articles of Incorporation **or** Bylaws must contain a dissolution clause that provides for distribution of assets upon dissolution for exempt purposes conforming to IRS rules. Please indicate the dissolution clause by tabbing or highlighting the section.

### Schedule D:

- For organizations located in Maryland, you may be required to register as a non-stock or religious organization and be in good standing with the Maryland State Department of Assessments and Taxation (SDAT), under Title 5 of the Corporations and Associations Article. Your application will not be processed until you are in good standing.
- For organizations located in Delaware, you must attach a certificate of good standing to the Delaware Division of Corporations.
- For organizations physically located in Pennsylvania, Virginia, West Virginia, or Washington, D.C., you must attach the sales and use tax exemption certificate from the home state of the organization and a letter of good standing from the home state of the organization.

### Schedule E:

If your organization is a church that holds worship services or other religious organization that holds worship services, you must complete Schedule E. Submit a copy of the rental/lease agreement for the location of your worship services if your physical address on the application is not the worship location and you rent/lease a separate location. If you worship out of a personal residence, you must attach an agreement from your local county zoning board or county regulation which allows for a home church.

### Veterans' Organizations:

You must submit the completed SUTEC Application, Schedule A, and submit a certificate of good standing under Schedule D if the organization is registered with the Maryland Department of Assessments and Taxation.

Please contact 410-260-7980 with questions regarding the SUTEC Application. Please allow six to eight weeks for the initial review of the application. If additional information is required, our office will contact you. If approved, you will receive your certificate by U.S. mail.

Legal Section - SUTEC  
Comptroller of Maryland  
Revenue Administration Center  
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