

## REQUESTING TEXAS SALES TAX EXEMPTION FOR CHARTERED 4-H CLUBS/GROUPS OFFICIALLY RECOGNIZED UNDER TEXAS 4-H INC



Texas 4-H clubs/groups who are officially chartered and recognized as a subordinate of Texas 4-H, Inc. can apply for Texas sales tax exemption. Both the County Extension Office/Agent and the Club Manager should work together to complete the process of applying for Texas sales tax exemption so that the County Extension Office is aware of the clubs/groups holding the Texas sales tax exemption status.

### Facts about Texas Sales Tax Exemption and Texas 4-H

- Sales Tax Exemption can only be used for the purchase of items that are directly related to the operation/management of the 4-H Club/Group.
- Absolutely no items for personal use or other organizations can be purchased using the 4-H Club/ Group sales tax exemption.

### To complete an application for Texas Sales Tax Exemption:

1. Ensure club/group is chartered and recognized as a subordinate of Texas 4-H, Inc. for the current 4-H year. Documentation verifying recognition is the “Charter Letter” found on 4HOnline. This letter can be downloaded/printed by the County Extension Agent/Office.
2. Complete a copy of the Texas Office of the Comptroller, Texas Application for Exemption – Educational Organizations Form (Form AP-207). This form must be completed correctly and completely prior to submission. For reference on how to complete, refer to the sample document provided in this packet.
3. When application form (AP-207) is complete, print. Once printed, assemble the 4-H club/group packet which includes:
  - AP-207 Application
  - IRS Letter recognizing Texas 4-H, Inc as a 501(c)3 organization (included in this packet).
  - Texas 4-H Inc. Charter Letter (County download from 4HOnline)
4. Mail application form and two letters to:  
Comptroller of Public Accounts  
P.O. Box 13528  
Austin, TX 78711-3528
5. 4-H club/group will be contacted within 10 working days after receipt of application by the Comptroller of Public Accounts regarding the status of application. 4-H Club/Group may be required to furnish additional information to establish the claimed exemption. After a review of the material, the Comptroller of Public Accounts will inform the organization in writing if it qualifies for exemption. The Comptroller, or an authorized representative of the Comptroller, may audit the records of an organization at any time during regular business hours to verify the validity of the organization’s exempt status.



# Texas Application for Exemption – Educational Organizations

**GLENN HEGAR**

TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

Nonprofit educational organizations should use this application to request exemption from Texas sales tax, hotel occupancy tax and franchise tax, if applicable.

To receive a state tax exemption as an educational organization, a nonprofit educational organization must be devoted solely to systematic instruction (particularly in the commonly accepted arts, sciences and vocations) with a regularly scheduled curriculum, faculty and an enrolled student body or students in attendance at a place where the educational activities are regularly conducted. An educational organization can also qualify if its activities consist solely of public groups, forums, panels, lectures or other similar programs, and the presentations provide instruction in the commonly accepted arts, sciences and vocations. Exemption from federal tax as a 501(c) organization is not required to qualify for exemption from state tax as an educational organization.

Public and private colleges, universities, junior colleges and community colleges from other states and nations do not qualify as educational organizations exempt from Texas hotel occupancy tax.

The exemption for educational organizations is provided for in Sections 151.310, 156.102 and 171.061 of the Texas Tax Code; more detailed information can be found in Comptroller Rules 3.322, 3.161, 3.541 and 3.583.

Some organizations will not qualify for an exemption as an educational organization as that term is defined in Texas' law and rules, even through their activities may be educational in nature. Such an organization might still qualify for exemption from Texas sales tax and franchise tax, if applicable, under certain sections of the Internal Revenue Code (IRC).

Texas tax law provides an exemption from sales tax on goods and services purchased for use by organizations exempt under IRC Section 501(c)(3), (4), (8), (10) or (19). However, exempt organizations are required to collect tax on most of their sales of taxable items. See *Exempt Organizations - Sales and Purchases*, Publication 96-122.

Texas law also provides an exemption from franchise taxes for corporations exempted from the federal income tax under IRC Section 501(c)(2), (3), (4), (5), (6), (7), (8), (10), (16), (19) or (25).

If your organization has been granted federal tax exemption under one of the qualifying sections listed above, your organization will be granted an exemption from Texas sales tax, or sales and franchise tax, on the basis of the Internal Revenue Service (IRS) exemption, as required by state law.

Organizations that qualify for exemption based on the federal tax exemption are not exempt from hotel occupancy tax because the hotel occupancy tax law does not recognize any federal exemptions.

The laws, rules and other information about exemptions are online at [www.Comptroller.Texas.Gov/taxes/exempt/](http://www.Comptroller.Texas.Gov/taxes/exempt/).

You can submit your completed application along with required documentation by mail, fax, or email

Mail: Texas Comptroller of Public Accounts  
Exempt Organizations Section  
P.O. Box 13528  
Austin, Texas 78711

FAX: (512) 475-5862  
Email: [exempt.orgs@cpa.texas.gov](mailto:exempt.orgs@cpa.texas.gov)

We process applications in the order they are received. To establish claimed exemptions, we may require additional information. After review of the material, we will inform the organization in writing if it qualifies for exemption. The Comptroller, or an authorized representative of the Comptroller, may audit the records of an exempt organization at any time during regular business hours to verify the validity of the organization's exempt status.

If you have questions or need more information, contact us at 800-252-5555.

**You have certain rights** under Chapters 552 and 559, Government Code, to review, request and correct information we have on file about you. Contact us at the address or phone number listed on this form.

# Texas Application for Exemption – Education Organizations



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## SECTION A

**1. ORGANIZATION NAME**

(Legal name as provided in the formation document, or if unincorporated, the governing document.)

**2. ORGANIZATION MAILING ADDRESS**

Street number, P.O. Box or rural route and box number

City	State/Province	ZIP code	County (or country, if outside the U.S.)
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

**3. Earliest date organization conducted classes.....**

Month	Day	Year
<input type="text"/>	<input type="text"/>	<input type="text"/>

Type # of 4-H Members in club

Number of Students

Age of Students

**4. Number and age of students .....**



**5. Number of instructors .....**

Type # of club managers for the club

**6. Texas taxpayer number (if applicable).....**

Leave Blank

**7. Federal Employer Identification Number (FEIN)**

(Required if applying for exemption on the basis of a federal exemption).....

Type EIN from chartering/IRS information

Month Day Year

**8. a) Enter filing information issued by the Texas Secretary of State**

File number

File date

OR

b)  Check this box if this organization is not registered with the Texas Secretary of State.

**9. Contact information of the person submitting this application**

Name	Email address
<input type="text"/>	<input type="text"/>

Firm or company name	Daytime phone (Area code and number)	Extension
<input type="text"/>	<input type="text"/> - <input type="text"/> - <input type="text"/>	<input type="text"/>

Address	City	State	ZIP code
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

We will notify you by email when the exemption has been added to let you know where the exemption can be verified online. If an email address is not provided, indicate where our response should be mailed:  organization's mailing address or  mailing address of the submitter.

## SECTION B

**Please review the information below. If your organization is applying for exemption on the basis of an IRS exemption, complete Item 10. If your organization is applying for exemption as an educational organization under Texas law and rules, complete Item 11.**

**Item 10.** Check here to apply for an exemption on the basis of a federal exemption.

Return the completed application with a copy of the entire IRS determination letter and any addenda. The organization's name on the IRS determination letter must match the organization's legal name as listed in the Articles of Incorporation or governing document. If the IRS determination letter was issued more than four years prior to the current date, include a copy of a current IRS verification letter. To obtain a current letter, contact the IRS at 1-877-829-5500.

**Item 11.** Check here to apply for exemption as an educational organization.

The following documents must be included with your application. Information may be in the form of a bulletin, brochure, written statement or website:

- A copy of the curriculum and a written statement or any brochures, pamphlets or website addresses that describe all of the activities of the organization.
- A statement including the physical address (street number and name, or rural route and box number, not a P.O. Box), and indicating the type of facility (office building, school, private home, etc.) where classes are held.
- A copy of the IRS determination letter, if your organization is exempt under a qualifying section of the IRC, or, if the organization is affiliated with a parent entity that has a federal group exemption under one of the qualifying IRC sections, attach a letter of verification from the parent entity that confirms the organization is a recognized subordinate under its federal group exemption. If the parent organization has not yet obtained exemption from Texas franchise tax and/or sales tax, provide a copy of the parent organization's entire IRS group exemption ruling letter along with the letter of affiliation.
  - **Special note to unincorporated entities:** Include your organization's governing documents, such as bylaws or constitution.
  - **Special note to non-Texas corporations:** Include a file-stamped copy of your organization's formation documents AND a current Certificate of Existence from the Secretary of State or equivalent officer in your home state.

## Texas 4-H Inc Letter of Official Recognition

Each club officially chartered and recognized club/group by Texas 4-H Inc and the Texas 4-H Youth Development Program will have a letter like the example below. This letter can be downloaded by the County Extension Agent from 4HOnline and MUST BE INCLUDED with application.



### MEMORANDUM

**To:** Whom it May Concern  
**Subject:** Texas 4-H Inc. and Subordinate Groups Status

NAME OF CLUB/GROUP:  
EIN #:  
COUNTY CLUB/GROUP RESIDES:

This letter confirms that the above-named organization is a chartered club as outlined by the Texas 4-H Program. They are authorized to use the 4-H name and emblem for educational purposes in accordance with laws and regulations established by the Congress of the United States of America and the Secretary, U.S. Department of Agriculture.

As a chartered club, this organization is also covered under a Commercial General Liability Policy underwritten by Anco Insurance B/CS with a coverage of \$1,000,000 per occurrence. Each enrolled and active youth member and volunteer is covered through a secondary accident/incident policy underwritten by American Income Life.

#### **Clubs With EIN**

If the club has an EIN, they are also a chartered subsidiary of TEXAS 4-H INC and a subordinate within the group exemption ruling to be held by 4-H Clubs in the State of Texas. Texas 4-H Inc. has received approval from the Internal Revenue Service for a federal exemption under section 501(c)(3) and Group Exemption Number (GEN) #5932.

As this organization is an official subsidiary of Texas 4-H Inc., donors may deduct contributions to this organization as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to our subordinates or for their use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of section 2055, 2106, and 2522 of the IRS Code.

If you wish to verify this subsidiary as part of Texas 4-H Inc, it can be done through the IRS website at <https://www.irs.gov/charities-non-profits/exempt-organizations-business-master-file-extract-eo-bmf>. Click on the state of Texas and the master list will download. You will need to open the file in Microsoft Excel and search for the organization's EIN listed above.

If further information is needed concerning this chartered club and/or Texas 4-H Inc. subsidiary, please feel free to contact the Texas 4-H Inc. office through the contact information below.

Sincerely,

Montza L. Williams, EdD  
Texas 4-H Inc., Treasurer



Texas 4-H Inc.  
1470 William D Fitch Parkway, TAMU 2473 | College Station, Texas 77845-2473  
Tel. 979.845.1211 | Fax. 979.845.6495

*The members of Texas A&M AgriLife will provide equal opportunities in programs and activities, education, and employment to all persons regardless of race, color, sex, religion, national origin, age, disability, genetic information, veteran status, sexual orientation or gender identity and will strive to achieve full and equal employment opportunity throughout Texas A&M AgriLife.*

**Texas 4-H Inc Letter of Recognition from the IRS**

PRINT THIS PAGE AND INCLUDE WITH THE CLUB/GROUP APPLICATION. This letter is from the IRS declaring Texas 4-H, Inc as a 501(c)3 organization with subordinates.



DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
WASHINGTON, D.C. 20224

→ Date of submission  
→ Calendar Dates it Covers

Date: AUG 06 2013

Texas 4-H, Inc.  
600 John Kimbrough Boulevard  
7101 TAMU  
College Station, TX 77843-7101

Employer Identification Number:

45-3159466

Group Exemption Number:

5932

Effective Date of Exemption

January 24, 2013

Contact Name and Number:

D. Moore (202) 283-9478

Dear Sir or Madam:

We have considered your application for a group exemption letter recognizing your subordinates as exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code.

You are recognized as exempt from federal income tax under section 501(c)(3) of the Code. Your exemption letter remains in effect.

Subordinates' Tax-Exempt Status

We have determined that your subordinates whose names appear on the list you submitted are exempt from federal income tax under section 501(c)(3) of the Code effective on the date listed above. Subsequent to this ruling, if a subordinate seeks an IRS letter recognizing its own individual tax exemption, it must submit a Form 1023.

Organizations exempt under section 501(c)(3) of the Code are further classified as either public charities or private foundations. We have determined that your subordinates are public charities described in sections 509(a)(1) and 170(b)(1)(A)(vi) of the Code.

Donors may deduct contributions to your subordinates as provided in section 170 of the Code. Requests, legacies, devises, transfers, or gifts to your subordinates or for their use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of section 2055, 2106, and 2522 of the Code.

