



*This article presents general guidelines for Georgia nonprofit organizations as of the date written and should not be construed as legal advice. Always consult an attorney to address your particular situation.*

## **PAYING SALES AND USE TAX IN GEORGIA**

Unlike many other states, the State of Georgia does not grant a blanket exemption from sales and use tax to Section 501(c)(3) tax-exempt organizations. In order to be exempt from paying tax on goods that are purchased or sold by the organization, the organization or the transaction itself must fit one of the specific, narrow exceptions laid out in the Georgia Code and the organization must obtain an exemption determination letter from the Georgia Department of Revenue.

Certain categories of nonprofit, tax-exempt organizations are eligible for exemption from sales and use tax, including:

- Licensed nursing homes, in-patient hospices or general or mental hospitals.
- Organizations that primarily provide services to mentally retarded persons.
- Certain types of child care institutions, child-placing agencies or maternity homes.
- Blood banks.
  - Organizations whose primary purpose is to raise funds for books, materials and programs for public libraries.

The Department of Revenue publishes an annual [List of Sales and Use Tax Exemptions](#) (as of 12/14/2015), which lists the businesses/transactions that have been exempted by statute along with the documentation required for exemption. Organizations that meet an exemption must still obtain an exemption determination letter from the Georgia Department of Revenue. For more information, see [Georgia Sales and Use Tax Exemptions for Nonprofits](#).

This article lays out the steps for paying sales and use tax for those organizations that do not qualify for and receive an exemption.

### **1. Registering for Sales & Use Tax**

In order to begin collecting and remitting Sales and Use Tax on a regular basis (for one-time events, see 5 below), register on the Department of Revenue online portal at [gtc.dor.ga.gov](http://gtc.dor.ga.gov) by selecting "Business" on the home page and selecting "Register a New Georgia Business." For more information about the registration process, you can view the Department of Revenue's video tutorial on how to register anew business account at <http://dor.georgia.gov/videos/new-business-registration>.

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Each sales location is required to register and display a separate Certificate of Registration. The Certification of Registration must be displayed at all times at the location where the sales are taking place.

For additional registration assistance or information, contact the Taxpayer Services Division at 1-877-423-6711.

## **2. File Monthly**

Sales tax must be collected from the purchaser and remitted to the State on a monthly basis. The sales tax return (ST-3; see next section) must be filed on or before the 20<sup>th</sup> day of the following calendar month for which the tax is due. A return must be filed for each period even if the business did not operate or have any taxable sales. The tax can be reported on the cash or accrual basis of accounting. You make this selection upon the first filing.

After the first year, if sales activity is infrequent, the Department of Revenue may reassign the reporting period to a quarterly or annual basis. The Department will do this automatically and will send notification if such a change has taken place.

## **3. Sales and Use Tax Report Form ST-3**

You are required to file and pay your sales and use tax return electronically if you owe more than \$500.00 in connection with any required return, report, or other document pertaining to sales tax or use tax. If you owe less than \$500.00, you may choose to file and pay electronically. However, if you remit payments by electronic funds transfer, you must also file all associated returns electronically. To file and pay electronically, visit <https://gtc.dor.ga.gov/>. The Georgia Department of Revenue provides instructional videos and templates for electronic filing at <http://dor.georgia.gov/georgia-tax-center-info>.

If you are not required to file electronically and choose to file a paper return, you must use [Form ST-3 Sales and Use Tax Return](#) (rev. 03/01/2015) to file and pay sales and use tax. Updated versions of the form can be found at <http://dor.georgia.gov/documents/forms>.

## **4. Tax Rates Will Vary**

The tax rate will depend on where the “sales or use” physically take place. Georgia has a statewide sales tax rate of 4%, but each county and the City of Atlanta may require additional sales tax. Accordingly, accurate records should be kept of the location of sales and the quantities sold at each location. For more information on local tax rates, see Georgia Department of Revenue’s [Sales Tax Rate Chart](#).

## **5. Miscellaneous Events Sales Tax Form FS-32**

If the sale or use event is an unusual or irregular occurrence, such as a special event, you can file a [Form FS-32](#) with the state instead of registering. This form is filed after-the-fact in order to remit sales tax revenue collected. Such events are not exempt from collecting tax, but you can avoid registration and the monthly filings that follow by collecting the proper amount of tax and submitting the funds with the form FS-32.

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For more information about taxes for special events, visit [Fundraising Issues for Special Events](#).

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