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.

TAXES FOR GEORGIA NONPROFITS: PAYING SALES AND USE TAX

As a Georgia nonprofit, are you supposed to: (a) pay sales tax on items you *buy*? (b) charge sales tax on items you *sell*? (c) charge sales tax on fundraising activities or (d) all of the above? For most Georgia nonprofits, the answer is (d) all of the above! This article lays out the steps for paying sales and use tax for those organizations that do not qualify for and receive an exemption from the Georgia Department of Revenue.

WHICH ORGANIZATIONS ARE EXEMPT?

Unlike many other states, the State of Georgia does not grant a blanket exemption from sales and use tax ("S&UT") to Section 501(c)(3) organizations. In order for a 501(c)(3) to be exempt from paying tax on goods that are purchased or sold by it, 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. The Department of Revenue publishes an annual List of Sales and Use Tax Exemptions (as of July 1, 2023), which lists the types of businesses or transactions that are exempt along with the documentation required for exemption.

Some examples of categories of nonprofit organizations that are eligible for exemption from S&UT include:

- Licensed nursing homes, in-patient hospices or general or mental hospitals.
- Organizations that primarily provide services to intellectually disabled persons.
- Certain volunteer health clinics treating patients below low-income threshold
- Certain types of childcare institutions, child-placing agencies or maternity homes.
- Volunteer health clinics.
- Organizations whose primary purpose is to raise funds for books, materials and programs for public libraries.

Even these organizations that meet an exemption must also obtain an exemption determination letter from the Georgia Department of Revenue. For more information, see Georgia Sales and Use Tax Exemptions for Nonprofits.

PAYING SALES & USE TAX

1. Registering for Sales & Use Tax

If your nonprofit does not have a S&UT exemption determination letter, it must collect and remit S&UT on its sales. To begin collecting and remitting S&UT on a regular basis (for one-time events, see 5 below), register on the Department of Revenue online portal at gtc.dor.ga.gov. by selecting “Registration” on the home page and then selecting “Register a New Business.” For more information about the registration process, watch the Department of Revenue’s video tutorial on how to register a new business account at https://dor.georgia.gov/new-business-registration-video.

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. You will receive a Certificate while registering as a new business. Sales tax for online sales is determined on the point of sale (where the buyer is located).

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

2. File Monthly

You should begin collecting S&UT from the purchaser and filing your S&UT return with the State on a monthly basis. The sales tax return must be filed on or before the 20th 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 your reporting period to a quarterly, annual, or special period basis. The Department will do this automatically and will send notification if such a change has taken place.

3. Sales and Use Tax Filing

You are required to file and pay your S&UT return electronically if you owe more than $500.00 in connection with any required return, report, or other document pertaining to S&UT. If you owe $500.00 or less, 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. 10/01/2022) to file and pay

S&UT. 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%.

Each county and the City of Atlanta collects an additional local tax. For example, the total S&UT (inclusive of the state 4% tax rate) in the following metro areas is:

- City of Atlanta: 8.9%
- Fulton (Hapeville, College Park, East Point): 8.75%
- DeKalb (not Atlanta): 8%
- Cobb: 6%
- Gwinnett: 6%
- Clayton (College Park): 9%
- Clayton (not College Park): 8%

You should maintain accurate records 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 (rev. 04/01/2026).

5. Miscellaneous Events Sales Tax Form FS-32

If the sale or use event is a special event with irregular occurrence, such as a gala, golf tournament, or fun run, you can file a Form FS-32 with the state instead of registering. This form is filed after the event in order to remit sales tax revenue collected. Nonprofits are not exempt from collecting S&UT on special events, but you can avoid registration and the monthly filings that follow by collecting the proper amount of S&UT and submitting the funds with the form FS-32.

For more information about taxes for special events, visit Georgia Department of Revenue Provides Detailed Guidance on Sales Tax and Nonprofit Fundraising and Fundraising Issues for Special Events.