**PTA Federal Income and State Sales Taxes**

**What is 501 3(c) status?**

* An organization with 501 3(c) status is exempt from federal taxes.
* For more information go to the Internal Revenue Service [website](http://www.irs.gov/charities/index.html)

**How does my PTA get 501 3(c) status?**

* Nothing! One of the benefits of being a Wisconsin PTA is that your PTA will also have tax-exempt status without having to apply for it separately and pay the registration fee.
* All you will need to do is apply for a *Certificate of Exempt Status* (CES) from the Wisconsin Department of Revenue using this form to receive a state sales tax exemption: Form S-103

**What is a *Written Verification of Tax Exemption* and do I need one?**

* Many companies and foundations now require written verification of an organization's non-profit tax-exempt status before making a donation (in-kind or monetary) to your PTA.
* Contact the WI PTA Office for more information**.**

**What is an Employee Identification Number (EIN)**

* A nine-digit number that the IRS assigns in the following format:  xx-xxxxxxx.  It is used to identify the tax accounts.
* It is against the law to use an EIN for anything other than business use or to use the EIN of another entity!
* For more information regarding [Employee Identification Number](https://www.irs.gov/businesses/small-businesses-self-employed/employer-id-numbers-eins)

**Does my PTA still have to file a Federal Annual Report?**

* Yes!!!!  ALL PTAs are required to file a form with the IRS.    
  The options are as follows:   
   - **IRS 990-EZ** (gross receipts are over $50,000)   
  - **IRS 990-N** (gross receipts less than $50,000)
* If you fail to file for 3 consecutive years, you will lose your tax exemption
* For more information and access to the forms click [here](https://www.irs.gov/charities-non-profits/annual-reporting-and-filing)

**What does my PTA do with the *Wisconsin* *Certificate of Exempt Status* (CES)?**

* All PTAs must apply for a sales tax exemption from the State of Wisconsin or they must pay sales tax on all purchases and also collect sales tax on taxable items they sell and submit the tax to the Wisconsin Department of Revenue (WI DOR). Use [form s-103](https://www.revenue.wi.gov/DORForms/s-103.pdf) to apply.
* Make copies of the certificate and distribute to those in your PTA that will be making purchases on behalf of the PTA.
* Do not jeopardize your tax-exempt status by purchasing personal items (i.e. items not to be used by your PTA) with your Certificate of Exempt Status (CES).
* Detailed information regarding your CES can be found in the Wisconsin Department of Revenue [Sales Tax Exemptions for Non-Profits](https://www.revenue.wi.gov/DOR%20Publications/pb206.pdf)

**Annual returns must be addressed to the Internal Revenue Services and postmarked by November 15th of each year!**

***Remember to send a copy into the WI State PTA by December 15!***