



EXEMPT STATUS APPLICATION PACKET

Finance Department
9500 Civic Center Drive
Thornton, Colorado 80229

Sales Tax Division
303-538-7400
FAX 303-538-7556
www.cityofthornton.net

Information Regarding Application for Tax Exempt Status

The attached Application for Tax Exempt Status is used for organizations to request review of their activities to determine if they qualify for exemption from municipal tax under the Thornton Municipal Code. Because Thornton's laws regarding exemption differ from other taxing authorities, organizations requesting tax exempt status for the City of Thornton may be required to present evidence of exemption specific to the City of Thornton requirements. Not all organizations exempt from Federal income tax under § 501(c)(3) or holding valid State of Colorado exemption certificates will qualify for exemption under Thornton's tax code. Exempt status is not effective until explicitly granted by the City.

Thornton Municipal Code Section 26-390(23) provides an exemption for sales to and purchases by charitable organizations. "Charitable Organization" is defined in Section 26-388(c) as:

Charitable organization means any entity which:

- (1) Has been certified as a not-for-profit organization under Section 501(c)(3) of the Internal Revenue Code; and*
- (2) Is a religious organization or is an organization which, exclusively and in a manner consistent with existing laws and for the benefit of an indefinite number of persons, freely and voluntarily ministers to the physical, mental or spiritual needs of persons and which thereby lessens the burdens of government.*

Generally taxable goods or services sold by entities that have been granted tax exempt status by the City of Thornton are subject to taxation; however, Thornton Municipal Code Section 26-390(23) provides an exemption for occasional fundraising event sales by certain organizations as follows:

- Organization must have been granted IRS income tax exemption under § 501(c)(3) and have a valid State sales/use tax exemption certificate
- Funds raised during event must be retained by the organization to be used in the course of the organization's charitable service
- No more than 12 events per calendar year
- Combined net proceeds must not exceed \$25,000 per calendar year

Governmental entities, private-public partnerships, quasi-governmental entities, and educational institutions may also apply for exempt status using the attached application in order to avoid disputes regarding tax exempt status.

Upon receipt of the completed Application for Tax Exempt Status and all required supplementary documentation, the City will review your request and issue a decision. If you have any questions, please call the Sales Tax Division at 303-538-7400.



APPLICATION FOR TAX EXEMPT STATUS

Instructions: This form must be filled out completely and returned to the Sales Tax Division before any request for exemption from Thornton sales/use tax will be considered. Responses to items 9-15 can be attached separately as necessary.

1) Legal Name of Organization:		
2) Trade Name (DBA) of Organization (if any):		
3) Mailing Address:		
4) Address(es) of Thornton Locations:		
5) Contact Name	6) Contact Phone	7) Contact Email
8) Type of Organization: <input type="checkbox"/> Charitable Organization <input type="checkbox"/> Religious Organization <input type="checkbox"/> Other _____		

9) Describe the organization's mission or purpose.

10) Outline whom the organization serves including any qualifications for membership or conditions for receiving services.

11) Describe the primary activities of the organization including any goods or services provided.

12) Describe all sources of organizational revenues and include approximate annual percentage of total revenue for each source.

13) Describe how the organization and its activities lessen the burden of government.

14) Identify the salaries of the five highest paid employees or directors of the organization. Provide their position, salary amount, job duties and number of hours spent at work weekly.

15) Estimated annual potential savings from Thornton sales and use taxes. (Total value of taxable purchases \$ _____ multiplied by 3.75% equals \$ _____ estimated tax savings).

16) Provide copies of the following supplemental information along with the application. Incomplete applications may not be reviewed:

- a) Internal Revenue Service determination letter recognizing the organization as exempt from Federal income tax under § 501(c)(3)
- b) Certificate of Exemption issued by the Colorado Department of Revenue
- c) Articles of Incorporation
- d) Bylaws of the Organization
- e) Most recent Federal Return of Organization Exempt from Income Tax (I.R.S. form 990)
- f) Most recent financial statements including detail of revenue and income sources
- g) Brochures, marketing literature, policies and procedures, or other forms of documentation supporting claim for exemption

I declare, under penalty of perjury, that this application has been examined by me and the statements made herein are made in good faith pursuant to the City of Thornton tax laws and, to the best of my knowledge and belief, are true, correct and complete.

PREPARER'S SIGNATURE: _____

PREPARER'S NAME: _____ **TITLE:** _____ **DATE:** _____

For City Use		
Date Received _____	Disposition _____	Disposition Date _____