



## ***Wisconsin Tax Exempt Status (Income Tax)***

Any nonprofit organization which is recognized by IRS as exempt from Federal Income Tax will automatically be exempt from Wisconsin Income Tax. However, if the organization exceeds \$50,000 in income during the year, the Federal Form 990 must be completed and submitted to the IRS. A copy of the form is also provided to the Wisconsin Department of Revenue.

## ***Wisconsin Sales Tax Exempt Status***

**4-H does not have to pay sales tax on purchases for the program.** 4-H units which are authorized to use the 4-H name and emblem are eligible for tax exempt status relative to Wisconsin State Sales Tax Guidelines. In a continuing 4-H club, check with the previous leader to determine if an exemption number exists.

Helpful information on Sales Tax Exemption for Nonprofit Organizations is included in Publication 206 of the Wisconsin Department of Revenue: <http://www.dor.state.wi.us/pubs/pb206.pdf>. To obtain a sales tax exempt certificate, you will need to file a Wisconsin Department of Revenue Form S-103. The form is available on the Wisconsin Department of Revenue website: <http://www.dor.state.wi.us/forms/sales/s-103.pdf>.

**4-H does not have to collect sales tax on items it sells.** 4-H units do not have to collect sales tax on things that it sells, provided they meet the following requirement. All three standards must be met by a nonprofit organization for its sales to qualify as exempt occasional sales.

- Organization is not engaged in a trade or business.
- Entertainment is not involved at an event for which charges by the organization constitute admissions.
- Organization does not have and is not required to have a seller's permit except for the involvement of entertainment.

A more detailed explanation of each standard follows:

1. *The organization is not engaged in a "trade or business."*

Two standards are used to determine whether a nonprofit organization is considered to be engaged in a "trade or business." Both of the standards must be exceeded before an organization is considered to be engaged in a trade or business.

A nonprofit organization is **not** considered to be engaged in a "trade or business" if:

- Its sales of otherwise taxable tangible personal property or services or its events occur on 20 days or less during the calendar year, regardless of the dollar amount of sales.
- Its "receipts" for the calendar year are \$25,000 or less, regardless of the number of days on which its sales or events occur.

- Entertainment is not involved at an event for which charges constitute admissions.*

For this purpose, “entertainment” means entertainment provided at an “admission” event by all persons or groups (e.g., band or singers) who are paid in the aggregate \$300 or more per event by all persons for performing, for reimbursement of expenses, or prize money.

- The organization is not otherwise required to have a seller’s permit.*

A nonprofit organization is not required to hold a seller’s permit if its sales are exempt from sales and use taxation (i.e., it meets standards 1 and 2.)

Information about the State of Wisconsin Sales and Use Tax can be found on the Department of Revenue website: <http://www.dor.state.wi.us/pubs/pb201.pdf>.

To obtain a seller’s permit, the nonprofit organization must complete Form BTR-101, Application for Business Tax Registration, and mail to the Department of Revenue. This application form may be obtained from any department office or online at: <http://www.dor.state.wi.us/forms/sales/index.html>. Online registration is also available.

Questions about sales and use tax should be directed to:

Wisconsin Department of Revenue  
Mail Stop 5-77  
P.O. Box 8902  
Madison, WI 53708-8902  
Telephone (608) 266-2776  
FAX (608) 267-1030  
E-mail [sales10@dor.state.wi.us](mailto:sales10@dor.state.wi.us)  
Website [www.dor.state.wi.us](http://www.dor.state.wi.us)



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