Attention: GW Departments

Re: Sales Tax Exempt Purchases in Virginia

Please read the following instructions and explanations carefully:

In order to claim an exemption from sales tax on purchases in VA, a copy of the Retail Sales and Use Tax Certificate of Exemption, as attached below, must be presented to the vendor at the time of purchase. For meals, also include page 3 of this document, as the VA Department of Taxation recently changed its position on meals. The letter on page 3 helps explain to any vendors why they should give the exemption on meals when the exemption certificate itself still says meals are not exempt.

In addition, payment for the item and/or services must be made using university funds (ex. GW check or GW p-card). If payment is made using a personal credit card or check, you will have to pay sales tax on the item and/or services, even if later you will be reimbursed by the university.

The VA certificate of exemption applies to the purchase of tangible personal property. It does not apply to hotel sales tax, occupancy tax, or taxable services.

Note that GW sales tax exemptions cannot be used for personal purchases.

If you have any questions or concerns regarding VA sales tax exemption, please feel free to reach us at 571-553-8313 or email at tax@gwu.edu.

Sincerely,

GW Tax Department
Retail Sales and Use Tax Certificate of Exemption

The George Washington University
c/o Tax Department
45155 Research Place, Ste 160
Ashburn, VA 20147

Effective Date: 03/12/2012
Expiration Date: 03/12/2017
Exemption Number: SE530196584F03122017

This letter confirms that your organization qualifies under Code of Virginia § 58.1-609.11 to purchase tangible personal property without paying the Virginia sales and use tax. The exemption is not applicable to the purchase of taxable services, such as meals or lodging.

To purchase tangible personal property without paying a sales and use tax:
- Present a copy of this letter to each dealer.
- Pay directly from the organization’s funds. Purchases by a member of the organization from their personal funds (i.e., cash, personal credit card or personal checking account) are taxable even though they may be reimbursed by the organization. If the organization issues credit cards to employees who are responsible for payment of the charges that are reimbursed by the organization; these type transactions are taxable.
- Employees or members may NOT use this exemption certificate to purchase goods for personal use.

Dealers, please note the following:
- The dealer is required to have on file a valid certificate of exemption from each organization.

I certify that the item or items being purchased are purchased by and used or consumed by the organization named above and that payment for this purchase is made to the vendor from the organization’s funds.

Organization’s Authorized Representative

Printed Name: Jennifer Lopez

Any misuse of exemption certificates will be subject to the penalties prescribed in § 58.1-623.1 of the Code of Virginia.
Commonwealth of Virginia
Department of Taxation

NOTICE TO NONPROFIT ORGANIZATIONS

May 25, 2016

JENNIFER LOPEZ
THE GEORGE WASHINGTON UNIVERSITY
2121 I STREET, N.W.
C/O TAX DEPARTMENT
WASHINGTON, DC 20052

RE: Policy Change Regarding Meals and Catering Purchases Made by Nonprofit Organizations

Dear Taxpayer:

There has been some confusion over the years regarding the application of the tax to purchases of prepared meals and catering by nonprofit organizations. The Department is changing its policy effective April 22, 2016, and will apply the new policy on a prospective basis. The Department will no longer deny an exemption from the Retail Sales and Use Tax on sales or purchases of meals, prepared food and catering on the basis that the meals, food and catering are taxable services. Rather, the Department will evaluate exemptions from the tax for these types of transactions based on whether the nonprofit organization claiming the exemption meets the use or consumption requirement of its respective exemption statute.

Our records indicate that a Virginia Retail Sales and Use Tax exemption was issued to you on March 12, 2012. The exemption certificate provides that the organization may purchase tangible personal property without paying the Virginia Retail Sales and Use tax. It also states that the exemption is not applicable to the purchase of taxable services, such as meals or lodging.

In order for a nonprofit organization making purchases of prepared meals and catering for consumption by individuals to satisfy the use or consumption requirement, the entity must establish that the provision of the prepared meals, catering, or services furthers an official function, mission, service or purpose of the nonprofit entity. Further, the charge for the food, meals, or catering must be billed to and paid for by the entity claiming the exemption with payment drawn from the entity's account, rather than using cash or an individual's account. Finally, the entity claiming the exemption must determine to whom, when, and how the meals or food are served and consumed.

The Department will not issue a new exemption certificate to your organization at this time. If your current exemption certificate is still valid, please provide the retailer with a copy of this letter, along with your exemption certificate when making purchases of meals, food or catering. The Department will issue a new exemption certificate to you when it is time to renew your exemption certificate. If you are unable to locate a copy of your exemption certificate, please contact our office and a copy will be mailed to you.

More information regarding the application of the Retail Sales and Use Tax to purchases of catering and other services related to the provision of food and meals by nonprofit organizations may be found in Virginia Tax Bulletin 16-3, available online at www.tax.virginia.gov in the Laws, Rules & Decisions section of the Department's website. If you have any questions regarding your Virginia sales and use tax exemption, you may contact the Virginia Department of Taxation Nonprofit Exemption Unit at (804) 371-4023 or P.O. Box 27125, Richmond, Virginia 23261-7125. You may also visit our website at www.tax.virginia.gov/nonprofit for additional information.

ARTA169A Clarification on the Purchase of Prepared Meals, Food and Catering

Save Time, Go Online - Visit www.tax.virginia.gov