

## Legal and Tax Considerations for Nonprofits

Not-for-profit charitable and educational organizations do not automatically qualify for state or federal tax exemptions. To find out more, contact the appropriate agency.

Task	Agency	Notes
Registering as a Corporation in Florida	Florida Dept. of State, Division of Corporations Ph 850-245-6052 <a href="http://www.dos.state.fl.us/divisions/division_doc.cfm">http://www.dos.state.fl.us/divisions/division_doc.cfm</a>	Request the Florida Not-for-profit Corporation Act booklet.  Annual Report and registration fee required.
Qualifying as Exempt from federal income tax	Internal Revenue Service Ph 1-800-829-1040 <a href="http://www.irs.gov/">http://www.irs.gov/</a>  Special IRS information for Charities and Non-profits <a href="http://www.irs.gov/charities/index.html">http://www.irs.gov/charities/index.html</a>  Tax law restrictions on activities of Exempt Organizations <a href="http://www.irs.gov/charities/article/0,,id=170946,00.html">http://www.irs.gov/charities/article/0,,id=170946,00.html</a>	Apply for exemption and file returns and reports as required. Most tax-exempt organizations will need to fill out the redesigned Form 990, which must be filed starting with tax year 2008 (filed in 2009).  Organizations that meet the requirements of Internal Revenue Code section 501(a) are exempt from federal income taxation. In addition, charitable contributions made to some section 501(a) organizations by individuals and corporations are deductible under Code section 170.  Tax exempt organizations may engage in public advocacy not related to legislation or election of candidates, and may engage in limited legislative advocacy.
Acknowledging Donations	Internal Revenue Service  <a href="http://www.irs.gov/charities/contributors/index.html">http://www.irs.gov/charities/contributors/index.html</a>  See also IRS Publication 526	Provide donors with appropriate acknowledgement of contributions so they can claim deductions. IRS requirements vary for charitable donations of \$250 - \$499, of \$500 - \$5,000 and over \$5,000.
Registering to solicit donations from the public	Florida Department of Agriculture, Division of Consumer Services Ph 1-800-435-7352 <a href="http://www.fl-ag.com/">http://www.fl-ag.com/</a>	Charitable organizations intending to solicit contributions from the public in Florida must annually register with the Division of Consumer Services.
State Sales Tax (collecting)	Florida Dept. of Revenue	<i>Application to Collect and/or Report Tax in Florida (Form DR-1)</i>

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	<p>Central Registration Ph 850-487-4130 <a href="http://dor.myflorida.com/dor/eservices/">http://dor.myflorida.com/dor/eservices/</a></p> <p>For list of Regional Service Centers: <a href="http://dor.myflorida.com/dor/taxes/servicecenters.html">http://dor.myflorida.com/dor/taxes/servicecenters.html</a></p>	<p>A non-profit organization should collect sales tax if it:</p> <ul style="list-style-type: none"> <li>• conducts book sales</li> <li>• operates a store</li> <li>• rents materials to others</li> <li>• engages in other types of business activity</li> </ul> <p>Fund-raising events (including used book sales) held no more than two times in a 12-month period, that meet all the requirements provided in <a href="#">Rule 12A-1.037 Florida Administrative Code</a>, are not required to charge tax. If three or more such events are held in a 12-month period, tax must be charged.</p>
State Sales Tax (paying)	<p>Florida Dept. of Revenue Central Registration Ph 850-487-4130 <a href="http://dor.myflorida.com/dor/eservices/">http://dor.myflorida.com/dor/eservices/</a></p> <p>For list of Regional Service Centers: <a href="http://dor.myflorida.com/dor/taxes/servicecenters.html">http://dor.myflorida.com/dor/taxes/servicecenters.html</a></p>	<p>A. Non-profit organizations may apply for Consumer's Certificate of Exemption (<a href="#">Form DR-5</a>)</p> <p>B. Florida Statute 212.0821 allows political subdivisions and public libraries to use their sales tax exemption certificates for purchases on behalf of specified groups: (3) Public libraries shall purchase necessary goods and services requested by groups solely engaged in fundraising activities for such libraries.</p>