

STATE TAX REQUIREMENTS

(This portion of the material should be prepared by each consulting attorney for the state in which the seminar is being held or states in which the attending membership resides). (The following material is an incomplete summary of Illinois State tax requirements as they relate to 501 (c) (3) organizations).

Foundations in the State of Illinois are required to pay State Sales Taxes on all purchases and charge State Sales Taxes on all sales of merchandise unless expressly exempted under the Illinois State Tax Codes. To obtain sales tax exemption either from payment or charging of sales taxes, the foundation must apply to the state treasurer's office on forms provided by the State of Illinois. Normally, foundations cannot be exempted from charging sales tax (use or occupation tax) on the sale of merchandise in the State of Illinois, but many classifications of foundations can obtain some relief in the payment of sales tax on certain purchases. Such relief will either take the form of an absolute exemption from payment or through the rebate of sales taxes paid during the fiscal year.

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