



CALIFORNIA STATE BOARD OF EQUALIZATION

# TAX HELP

## FOR NONPROFIT AND FAITH-BASED ORGANIZATIONS



# BOE CAN HELP



California is home to tens of thousands of nonprofit and faith-based organizations that work to solve social, economic, and environmental challenges.

Organizations like yours do vital work and serve a wide variety of communities with dedication and enthusiasm.

To help your organization be successful and avoid costly mistakes, the Board of Equalization (BOE) provides many free tax resources.



The BOE's online *Tax Guide for Nonprofit Organizations* will help you understand how tax applies to:

- Veterans' organizations
- Religious organizations
- Schools, Parent-Teacher Associations, children's organizations, youth organizations and children's clothing organizations
- Charitable organizations providing relief from poverty and distress
- Groups providing human services and goods related to medical or health information, disabilities, HIV/AIDS, nutrition, and homelessness
- Museums and organizations assisting museums, government art programs, library support organizations, and zoological societies

This guide provides resources to help you comply with California's sales and use tax laws.

You can access the *Tax Guide for Nonprofit Organizations* at: [www.boe.ca.gov/industry](http://www.boe.ca.gov/industry)

## Additional Resources

### Events:

Go to [www.boe.ca.gov/nps](http://www.boe.ca.gov/nps) to see upcoming dates and locations of free nonprofit seminars. Sponsored by the BOE, these seminars cover tax laws, exemptions, and reporting requirements as they apply to nonprofit and faith-based organizations. Speakers include subject experts from the BOE as well as from the Employment Development Department, Franchise Tax Board, and the Internal Revenue Service.

### Publications:

Click on the *Forms & Pubs* tab on the homepage. Then click on *All Publications* under the View heading to find these additional resources.

- Publication 18, *Nonprofit Organizations*
- Publication 48, *Property Tax Exemptions for Religious Organizations*
- Publication 149, *Property Tax Welfare Exemptions*





Taxes can be confusing. Below are answers to a few frequently asked questions.

### Do nonprofits owe property tax?

Many nonprofits qualify for property tax exemptions, depending on ownership and the use of the property. The BOE offers a variety of resources to assist you. To find out if your nonprofit qualifies for an exemption, contact your county assessor.

### Are nonprofits required to pay sales and use tax?

There is no general exemption from the tax for sales to or by nonprofit organizations. Like for-profit businesses, nonprofits may need to obtain a seller's permit. Nonprofits may also owe tax on their sales and out-of-state purchases of property for use in California. However, certain types of nonprofits and faith-based organizations are eligible for specific tax exemptions and exclusions.

### How can nonprofits protect themselves from surprise tax bills?

Keep accurate records and request advice in writing from the BOE whenever you are unsure whether sales or use tax is owed on a sale or purchase.

If you have a property tax exemption and plan to change how your property is used, contact your county assessor.

Learn more at  
[www.boe.ca.gov](http://www.boe.ca.gov)

Nonprofit and faith-based organizations serve California residents in many different ways, but there are some tax issues that can impact all of these groups.

Contact the Board of Equalization for assistance.

Call 1-800-400-7115

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