

Exempt Purchases of Meals or Lodging by Exempt Entities

General Purpose: Exempt organizations, qualifying governmental agencies, nonprofit charitable hospitals, nonprofit nursing homes, nonprofit rest homes, and nonprofit residential care homes must use this certificate to establish that their purchases of meals or lodging are exempt from tax. (Any reference to **tax** in this document includes sales and use taxes and room occupancy tax, as applicable.) These organizations, governmental agencies, hospitals, and homes are referred to as **exempt entities** throughout this certificate. CERT-112 allows an exempt entity to purchase meals or lodging, or both, tax exempt for a single event and may not be used for repeat purchases. See **CERT-123, Blanket Certificate for Exempt Qualifying Purchases of Meals or Lodging by an Exempt Entity or Qualifying Governmental Agency**, for repeat qualifying exempt purchases of meals or lodging. Use this certificate **only** if these three conditions are met:

1. The retailer directly invoices and charges the exempt entity for the meals or lodging; **and**
2. The exempt entity directly pays the retailer with a check drawn on its own account or with a credit card issued in its own name; **and**
3. The exempt entity is not reimbursed, in whole or in part, by donation or otherwise, for its payment of the meals or lodging by those consuming the meals or lodging.

Statutory Authority: Conn. Gen. Stat. §12-412(1)(A), (8), and (94).

Credit Card Purchases: If a credit card is used to pay the retailer of meals or lodging, the card must be issued in the name of the exempt entity. The credit card must be used exclusively to make purchases for the use of the exempt entity (not for the convenience of its officers, employees, or members). The credit card charges must be paid by a check drawn on the exempt entity's own checking account.

Nonqualifying Purchases: This certificate may not be used (and tax must be paid) for the purchase of meals or lodging not meeting all three conditions above. Nonqualifying purchases include fund raisers where those who attend are charged or are required to make any payment and seminars or conferences where meals or lodging charges are included in the conference or seminar registration fee, except as described below.

An exempt entity may purchase meals tax exempt using **CERT-113, Purchases of Tangible Personal Property and Services by a Nonprofit Charitable Hospital, Nonprofit Nursing Home, Nonprofit Rest Home, or Nonprofit Residential Care Home**; **CERT-119, Purchases of Tangible Personal Property and Services by Qualifying Exempt Organizations**; or **CERT-134, Exempt Purchases by Qualifying Governmental Agencies**; and does not have to get prior approval from the Department of Revenue Services (DRS), when it will resell the meals at one of five fundraising or social events per year that is exempt from tax under Conn. Gen. Stat. §12-412(94) including meals resold at conferences and seminars. See **Special Notice 98(11), Exemption From Sales and Use Taxes of Sales by Nonprofit Organizations at Fundraising or Social Events**.

Government Purchases Not Requiring Preapproval: The federal government has implemented the "GSA SmartPay" program, which uses four categories of credit cards: Fleet, Purchase, Travel, and Integrated cards. Federal employees may purchase meals and lodging tax exempt by using **certain** GSA SmartPay cards when the purchases are billed to and paid by the federal government. U.S. government agencies making tax-exempt purchases of meals and lodging using GSA SmartPay cards are not required to get preapproval for these purchases from DRS and are not required to provide the retailer with CERT-112. See **Policy Statement 2000(1.1), Retailer's Acceptance of U.S. Government "GSA SmartPay" Credit Card for Exempt Purchases**.

Instructions for the Purchaser: An officer of an exempt entity must complete and sign this certificate and submit it to DRS at least three weeks before an event to request the tax-exempt purchase of meals or lodging at a specific event. The exempt entity should include a copy of the flyer, announcement, or other promotional literature about the event with CERT-112. If the purchaser is an exempt organization, it must either attach a

copy of its I.R.C. §501(c)(3) or (13) determination letter issued by the U.S. Treasury Department **or**, if it was issued an exemption permit by DRS, enter its exemption permit number on CERT-112. If the purchaser is a qualifying governmental agency, no attachment is required. If the purchaser is a nonprofit charitable hospital, nonprofit nursing home, nonprofit rest home, or nonprofit residential care home, it must attach a copy of a valid and active license issued by the Department of Public Health under Chapter 368v of the Connecticut General Statutes and a copy of its I.R.C. §501(c)(3) or (4) determination letter issued by the U.S. Treasury Department **or**, if it was issued an exemption permit by DRS, enter its exemption permit number on CERT-112. If DRS concludes that the applicant is making a qualifying exempt purchase, CERT-112 with DRS official approval noted will be returned to the exempt entity. The exempt entity then provides CERT-112 to the retailer of meals or lodging. Keep a copy of this certificate, the documents attached, and records that substantiate the information on this certificate for at least six years from the date it is issued.

Events That Qualify for Refund Only: If the exempt entity will be paying (and will not be reimbursed, in whole or in part) for the meals or lodging of some of the attendees, but will be reimbursed in whole or in part for the meals or lodging of others, a preapproved exemption will **not** be issued. The exempt entity must pay tax on **all** the meals or lodging at the time of the purchase. However, DRS will refund the tax on those meals or lodging that were paid for by the exempt entity for which it was not reimbursed in whole or in part. The exempt entity must file, and DRS must approve, **CERT-122, Refund of Sales Tax Paid on Purchases of Meals or Lodging by Exempt Entities**. The exempt entity is not eligible for refund of the tax paid on meals or lodging for which it received full or partial reimbursement other than for meals sold under five one-day fundraising or social events per calendar year exemption. See **Policy Statement 2003(4), Purchases of Meals or Lodging by Exempt Entities**, for more information.

Example 1: B, an exempt organization, sponsors a dinner to honor one of its members. The restaurant charges B \$50 per meal and B sells tickets for \$50 per person. The honoree and members of the immediate family attend as guests of the organization. B must pay sales tax on all meals purchased. It may, however, complete and file CERT-122 to claim a refund of the taxes paid only on meals consumed by the honoree and members of the immediate family.

Example 2: C, an exempt organization, sponsors a retirement dinner to honor one of its employees. The restaurant charges C \$60 per meal. C sells tickets for \$50 per person and pays the \$10 difference to the restaurant from its own funds. C must pay sales tax on the full price of all meals purchased. Because the organization received partial reimbursement for all of the meals, C is not eligible for a refund of any of the tax paid.

Instructions for Retailer of Meals or Lodging: Acceptance of this certificate, when properly completed and with DRS official approval noted, relieves the retailer from the burden of proving the sale of meals or lodging was not subject to tax. This certificate is valid only if taken in good faith from an exempt entity.

Do **not** accept this certificate unless you directly invoice and charge the exempt entity for the meals or lodging. Do **not** accept the certificate unless you are directly paid by the exempt entity with a check drawn on the exempt entity's own checking account or with a credit card issued in the exempt entity's name (not in the name of one of its members, employees, or officers). Cash payments do not satisfy this condition, regardless of the cost of the meals or lodging.

Keep this certificate, the documents attached, and bills or invoices to the exempt entity for at least six years from the date that the meals or lodging were purchased. The bills, invoices, or records covering the purchase made under this certificate must be marked "Exempt Under CERT-112" to indicate an exempt purchase has occurred. This certificate only applies to the specific event indicated and may not be used for the exempt purchase of any meals or lodging at any other event.

Name of Exempt Entity:	Federal Employer Identification Number
Address of Exempt Entity	Connecticut Exemption Permit Number <i>(If any)</i>

(If the exempt entity was not issued a Connecticut exemption permit (E-number), attach a copy of the exempt entity's I.R.C. §501(c)(3), (4), or (13) determination letter.)

Name of Retailer	Check Appropriate Box(es) <input type="checkbox"/> Meals <input type="checkbox"/> Lodging
Address of Retailer	Date(s) of Event

Describe Purpose or Reason for Event: (Be specific. For example, meeting of board of trustees, or luncheon to honor volunteers)

The exempt entity must provide the following information about the meals or lodging being purchased: *(See instructions)*

Column A	Column B	Column C
Total Number of Meals or Lodging to be Purchased _____	Number for Which <i>No</i> Reimbursement, Full or Partial, Will Be Received _____	Number for Which Reimbursement, Full or Partial, Will Be Received _____
<i>The sum of the numbers entered in Column B and in Column C should equal the number entered in Column A.</i>		

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|---|------------------------------|-----------------------------|
| 1. Will the exempt entity make a charge for the meals or lodging to those attending the event? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 2. Will the retailer of the meals or lodging directly invoice and charge the exempt entity for the meals or lodging? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 3. Will the exempt entity directly pay the retailer of the meals or lodging with a check drawn on its own checking account or with a credit card issued in its own name (and not in the name of one of its members, employees, or officers)? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

Declaration by Exempt Entity

I declare that the exempt organization, qualifying governmental agency, nonprofit charitable hospital, nonprofit nursing home, nonprofit rest home, or nonprofit residential care home:

- Is being directly invoiced and charged by the retailer;
- Is directly paying the retailer with a check drawn on its own account or with a credit card issued in its own name; and
- Will not be reimbursed, directly or indirectly, by donation or otherwise, for all or a portion of the cost of the meals or lodging by those consuming the meals or lodging.

I also declare that any exemption permit noted on this certificate, any determination letter or group exemption letter (as the case may be), and license issued by the Department of Public Health, if applicable, attached to this certificate, has not been canceled or revoked. I declare under penalty of law that I have examined this document (including any accompanying schedules and statements) and, to the best of my knowledge and belief, it is true, complete, and correct. I understand the penalty for willfully delivering a false return or document to DRS is a fine of not more than \$5,000, or imprisonment for not more than five years, or both. The declaration of a paid preparer other than the taxpayer is based on all information of which the preparer has any knowledge.

Print Name _____	Title _____
Signature of Authorized Person _____	Date _____ Telephone Number _____

Notice to Retailers: Do not accept this certificate if DRS has not completed the following section and noted official approval.

For DRS Use Only

Request Approved by DRS

Official Approval/DRS _____	Date Approved _____
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Request Disapproved by DRS

- Exempt entity did not provide proof of exempt status. (Connecticut exemption permit number or I.R.C. §501(c)(3), (4), or (13) determination letter, and license issued by the Department of Public Health, if applicable.)
- Exempt entity will not be directly invoiced and charged by the retailer of the meals or lodging.
- Exempt entity will not directly pay the retailer of the meals or lodging with a check drawn on its own checking account or with a credit card issued in its own name (and not in the name of one of its members, employees, or officers).
- Exempt entity will be reimbursed, in full or in part, for its payment for the meals or lodging by those consuming the meals or lodging.

Official Disapproval/DRS _____	Date Disapproved _____
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For More Information: For other information, call the *Exempt Organization Coordinator* at **1-800-382-9463** (in-state) and choose Option 0 or **860-297-5962** (from anywhere). **TTY, TDD, and Text Telephone users** only may transmit inquiries anytime by calling **860-297-4911**. Preview and download forms and publications from the DRS Web site at www.ct.gov/DRS

Submit this certificate for approval to:
 Department of Revenue Services
 Taxpayer Services Division - Exempt Organization Coordinator
 25 Sigourney Street
 Hartford CT 06106-5032