

APPLICATION FOR EXEMPTION RELIGIOUS AND RELIGION BASED ORGANIZATION



CAROLE KEETON STRAYHORN • TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

Nonprofit religious organizations should use this application to request exemption from Texas sales tax, hotel occupancy tax, and franchise tax, if applicable. To receive a state tax exemption as a religious organization, a nonprofit religious organization must be an organized group of people regularly meeting at a particular location with an established congregation for the primary purpose of holding, conducting and sponsoring religious worship services according to the rites of their sect. Exemption from federal tax is not required to qualify for exemption from state tax as a religious organization.

The exemption for religious organizations is provided for in Sections 151.310, 156.102, and 171.058 of the Texas Tax Code, and more detailed information can be found in Comptroller's Rules 3.322, 3.161, and 3.541.

Some organizations will not qualify for exemption as a religious organization as that term is defined in Texas' law and rules, even though their activities may be religious in nature. Evangelistic associations do not qualify for exemption as religious organizations. Organizations that simply support and encourage religion as an incidental purpose, or that further religious work or teach their membership religious understanding, such as Bible study groups, prayer groups, and revivals do not qualify for exempt status under this category. Such an organization might still qualify for exemption from Texas sales taxes, and franchise tax, if applicable, based on their exemption under certain sections of the Internal Revenue Code (IRC).

Texas tax law provides an exemption from **sales** taxes on goods and services purchased for use by organizations exempt under IRC Section 501(c)(3), (4), (8), (10), or (19). However, exempt organizations are required to collect tax on most of their sales of taxable items. See *Exempt Organizations—Sales and Purchases*, Publication 96-122. Texas law also provides an exemption from **franchise** taxes for corporations exempted from the federal income tax under IRC Section 501(c)(2), (3), (4), (5), (6), (7), (8), (10), (16), (19), or (25).

If your organization has been granted federal tax exemption under one of the qualifying sections listed above, your organization will be granted an exemption from Texas sales tax, or sales and franchise tax, on the basis of the IRS exemption, as required by state law. Organizations that qualify for exemption based on a federal exemption are not exempt from hotel occupancy tax because the hotel tax law does not recognize any federal exemptions.

The laws, rules and other information about exemptions are online at:

<http://www.window.state.tx.us/taxinfo/exempt>

Send the completed application along with all required documentation to:

COMPTROLLER OF PUBLIC ACCOUNTS
Exempt Organizations Section
P.O. Box 13528
Austin, Texas 78711-3528

We will contact you within 10 working days after receipt of your application to let you know the status of your application. We may require an organization to furnish additional information to establish the claimed exemption. After a review of the material, we will inform the organization in writing if it qualifies for exemption. The comptroller or an authorized representative of the comptroller may audit the records of an organization at any time during regular business hours to verify the validity of the organization's exempt status.

If you have questions or need more information, contact our Tax Assistance staff at 1-800-252-5555 or, in Austin, call (512)463-4600.

You have certain rights under Ch. 559, Government Code, to review, request, and correct information we have on file about you. Contact us at the address or toll-free number listed on this form.

TEXAS APPLICATION FOR TAX EXEMPTION FOR RELIGIOUS AND RELIGION-BASED ORGANIZATIONS

• **TYPE OR PRINT**
 • **Do NOT write in shaded areas.**

SECTION A

1. ORGANIZATION NAME

(Legal name as provided in Articles of Incorporation, or, if unincorporated, the governing document. For out-of-state corporations, name must match the official corporate name as filed in the home state of charter)

2. ORGANIZATION MAILING ADDRESS

Street number, P.O. Box, or rural route and box number

City <input style="width: 95%;" type="text"/>	State/province <input style="width: 95%;" type="text"/>	ZIP code <input style="width: 95%;" type="text"/>	County (or country, if outside the U.S.) <input style="width: 95%;" type="text"/>
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3. Texas Taxpayer number (if applicable)

4. For TEXAS corporations ONLY, filing information issued by the Secretary of State:

File Number <input style="width: 200px;" type="text"/>	File Date <input style="width: 100px;" type="text"/>	Month	Day	Year
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5. For NON-TEXAS corporations ONLY, filing information issued by the Texas Secretary of State:

Certificate of Authority File Number <input style="width: 200px;" type="text"/>	File Date <input style="width: 100px;" type="text"/>	Month	Day	Year
Home State of Incorporation <input style="width: 50px;" type="text"/>	Date of Incorporation <input style="width: 100px;" type="text"/>	Month	Day	Year
Home State Filing or Registration Number <input style="width: 150px;" type="text"/>				

6. Federal Employer's Identification Number (EIN) (Required if applying for exemption on the basis of a federal exemption)

7. Average attendance at worship service If average attendance is less than 50, indicate the number of families represented in the average attendance

8. Date of first worship service

9. Time and frequency of worship services

10. Name, address and daytime phone number of the person submitting this application.

Name <input style="width: 450px;" type="text"/>		Title <input style="width: 400px;" type="text"/>	
Organization Name <input style="width: 450px;" type="text"/>		Daytime Phone (Area code and number) <input style="width: 100px;" type="text"/> - <input style="width: 100px;" type="text"/> <input style="width: 100px;" type="text"/>	
Address <input style="width: 350px;" type="text"/>		City <input style="width: 150px;" type="text"/>	State <input style="width: 100px;" type="text"/>
		Zip <input style="width: 100px;" type="text"/>	

If address provided is not the same as the organization's mailing address, indicate to which address our response should be mailed:

To organization mailing address
 To mailing address of submitter

SECTION B

Provide the following additional information as it applies to the appropriate option below:

- Option A** (Member of a common denomination or convention of churches):
- If your organization is a church that is a member of a common denomination or convention of churches, and the parent organization either has a 501(c)(3) federal group exemption, or has previously obtained a religious exemption in Texas for the churches under its jurisdiction, your church can obtain exemption based on its affiliation with the parent organization. Attach a letter from the parent organization stating that your church is a recognized subordinate, or provide the web address of the parent organization where your church's affiliation can be verified.
- Option B** (Independent church or nondenominational church that does not meet the requirements under Option A):
- A copy of your organization's governing document (file-stamped Articles of Incorporation, or Bylaws or Constitution or Articles of Association if not incorporated)
 - A copy of your group's statement of faith.
 - Documentation such as a bulletin, brochure, Web address (URL) or written statement that indicates the regular order of what takes place during the worship services.
 - A statement containing the physical address (no P.O. Box) and a description of the facility where worship services are regularly conducted. If available, include pictures of the interior and exterior of the facility. If renting or leasing, include a copy of the rental/lease agreement.
 - A statement confirming the services are open to the public. The statement must indicate how the services are advertised to the public.

If your church has its own 501(c)(3) federal exemption, provide a copy of the IRS determination letter along with the information in option A or B so that we may update our records.

**APPLICATIONS RECEIVED WITHOUT SUPPORTING DOCUMENTATION REQUIRED
UNDER OPTION A OR OPTION B WILL BE RETURNED.**