

Purchases of Items by Eleemosynary Organizations and Schools That Will Be Resold Tax-Exempt for \$20 or Less

General Purpose: Connecticut eleemosynary organizations formed to sponsor and support youth activities and accredited elementary or secondary schools may sell items tax-exempt for \$20 or less when the sales are made for purposes of these youth activities or schools or organized activities of students enrolled in the school. This certificate may only be used by Connecticut eleemosynary organizations and schools **not** registered with the Department of Revenue Services (DRS) as retailers for the sole purpose of purchasing items intended to be resold tax-exempt for \$20 or less. See **Policy Statement 2002(3)**, *Sales and Use Tax Exemptions for Sales by Eleemosynary Organizations and Elementary and Secondary Schools*, for more information.

Statutory Authority: Conn. Gen. Stat. §12-412(26).

Instructions for the Purchaser: An officer of a qualifying eleemosynary organization formed to sponsor and support youth activities or an authorized person acting on behalf of an accredited elementary or secondary school must sign and issue this certificate to advise the seller of tangible personal property or taxable services that sales and use taxes do not apply to the purchase because the items being purchased are intended to be resold tax-exempt for \$20 or less under Conn. Gen. Stat. §12-412(26). Keep a copy of the certificate and records that substantiate the information entered on this certificate for at least six years from the date this certificate is issued.

Instructions for the Seller: Acceptance of this certificate, when properly completed, relieves the seller from the burden of proving the sale and storage, use, or other consumption, of the tangible personal property or taxable services are not subject to sales and use taxes. The certificate is valid only if taken in good faith from a qualifying eleemosynary organization formed to sponsor and support youth activities or an accredited elementary or secondary school. For example, the good faith of the seller will be questioned if the seller knows of facts that suggest the purchaser is not a qualifying eleemosynary organization or an accredited elementary or secondary school.

Keep this certificate and bills or invoices to the purchaser for at least six years from the date the items or services were purchased. The bills, invoices, or records covering the purchases made under this certificate must be marked “Resale under CERT-136” to indicate the purchases were not taxable.

This certificate may be used for a single purchase, in which case the box marked “Certificate for One Purchase Only” must be checked. This certificate may also be used for a continuing line of purchases, in which event the purchaser must check the box marked “Blanket Certificate.” A blanket certificate remains in effect for three years unless the purchaser revokes it in writing before the three-year period expires.

An eleemosynary organization formed to sponsor and support youth activities and an accredited elementary or secondary school must pay for its resale purchases 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 any of its members or officers). An eleemosynary organization or accredited elementary or secondary school may make a purchase of \$10 or less using cash from the organization’s or school’s own funds. However, a blanket CERT-136 may not be used for a cash purchase, and a properly completed CERT-136 must be issued to the retailer at the time of each cash purchase.

For More Information: Call DRS during business hours at **1-800-382-9463** (in-state) or **860-297-5962** (from anywhere). **TTY, TDD, and Text Telephone users** only may transmit inquiries 24 hours a day by calling **860-297-4911**. Preview and download forms and publications from the DRS website at **www.ct.gov/DRS**

