

## **Commonly Asked Questions and Answers for the Lions and Lioness Clubs**

### **Sales Tax Exempt Purchases:**

**Meals:** Sales tax should not be charged on meals when the Lions/Lioness meet as long as the bill is paid with one check with the Lions/Lioness name on the check.

### **Items purchased for a fundraising event.**

**Purchase of a van** to transport elderly or visually impaired. A copy of the club's exemption certificate should be provided to the Department of Transportation.

**Purchase of a trailer for food preparation** for fundraising events. This type of vehicle would qualify for exemption as long as it's being paid for and titled by the exempt organization and being used only for fundraising purposes. A copy of the club's exemption certificate should be provided to the Department of Transportation.

**Postage/shipping and handling.** Sales Tax should not be charged when mailing non-taxable items.

**Wrapping supplies** used in connection with the sale of products.

**Club jackets and shirts** are clothing items; therefore, they are not subject to tax.

### **Sales Tax Non-exempt Purchases:**

**Meals** at a fashion show.

**Club banners and flags.** (Only flags of the U.S. and the Commonwealth are non-taxable.)

**Glassware,** mugs (w/logo), glasses, etc.

**Cash register receipt paper,** signs, circulars, show cards and posters.

**Postage/shipping and handling** – sales tax should be charged when mailing taxable items, or bulk mailings that contain both taxable and non-taxable items.

**Club pins and patches** – these items are considered clothing accessories and are not used directly in fundraising activities, therefore they are taxable.

**Isolated sales:** An organization is allowed to sell items where a Sales Tax License # is not required and the organization is not required to collect Sales Tax. This can only be a total of four (4) or more occasions. Not to exceed seven (7) times per year.

**Competition:** If the organization is not in competition with other organizations, they would not be required to collect sales tax. If an organization is in competition with other organizations, they must collect sales tax. For example: If they operate a lemonade stand at the county fair and no other organization of this type is participating, they would not be required to collect Sales Tax.

**Vehicles:** As of October 2000, an organization is entitled to have two special raffle permits per year, with a \$100,000 limit. The organization may use the \$100,000 limit all at once, instead of \$50,000 per permit. The winner of the raffle must title the vehicle, as well as pay the Sales Tax on the vehicle.