

APPLICATION FOR EXEMPTION FROM DENVER TAXES FOR 501(c)(3) ORGANIZATIONS

WHO SHOULD APPLY?

There is one criteria in determining whether an organization is eligible for exempt status by Denver:

- 1) The organization has applied for and received recognition by the IRS of exemption status under section **501(c)(3)** of the Code and is in good standing.

Organizations exempt from federal income tax, but who have not applied for and received a 501(c)(3) designation letter do not qualify for Denver exemption.

Important note about group exemptions: Denver will only grant exempt status to the parent or central organization to which a Group Exemption Letter is issued; exemption letters will not be issued for subordinate organizations. If your organization is a subordinate organization you will need to have the parent/central organization apply for exempt status with Denver.

Exemptions issued by either the IRS, State of Colorado or any state or municipal jurisdiction will **not** automatically qualify a 501(c)(3) organization as exempt from City of Denver taxes unless it applies for and receives a valid letter of exemption from the Denver Manager of Finance.

Governmental entities (United State government, state departments and institutions) and political subdivisions are **NOT REQUIRED** to apply for and obtain exemption status with Denver when purchasing in their governmental capacities.

IF THE 501(c)(3) ORGANIZATION IS IN GOOD STANDING, DOES IT EVEN NEED TO OBTAIN A LETTER OF EXEMPTION FROM DENVER?

Yes. Per Denver ordinance, for an organization to have exempt status with Denver, it must meet the qualifying criteria **and** hold a valid Denver letter of exemption.

HOW TO APPLY

The following must be submitted to determine eligibility:

- 1) Completed Denver exemption application form (attached)
- 2) IRS determination, affirmation, good standing or group exemption letter for the entity holding the 501(c)(3) designation

FROM WHICH TAXES ARE QUALIFIED ORGANIZATIONS EXEMPTED?

When purchases are made for its regular charitable functions or activities, Denver exempt organizations are exempt from the following Denver taxes:

- sales tax
- use tax
- lodger's tax
- tourism improvement district tax
- business portion of occupational privilege tax
note: exempt status of organization does not extend to its employees; thus, the employee portion of occupational privilege tax is still owed to Denver

An exemption status does not extend to:

- construction contractors who perform contracts for the exempt organization
- employees or members of the organization for their own personal use
- food or beverage purchased for an event where the recipient of the food or beverage reimburses the organization in any way, such as by purchase of a ticket, payment of a registration fee or making an involuntary contribution to attend such event



APPLICATION FOR EXEMPTION FROM DENVER TAXES FOR 501(c)(3) ORGANIZATIONS

ORGANIZATION INFORMATION

Legal Name
Trade Name(s)
EIN #

Note: if the EIN listed above is for a subordinate organization granted 501(c)(3) status through a group exemption letter, the parent/central organization is the entity that needs to apply. Denver exemption letters will NOT be issued to subordinate organizations.

Principal Address

Website

Licensed with Denver? Not sure No Yes If "yes," Denver tax #

Paid employees working in Denver? No Yes If "yes," # of employees

APPLICATION CONTACT INFORMATION

Contact Name and Title
Contact Email
Contact Phone

REASON FOR REQUEST FOR EXEMPT STATUS

Type of presence or operations in Denver or Denver-metro area

permanent (e.g. office location)

impermanent (e.g. conference/convention)

Other

Intended use of or need for exemption

REASON FOR REQUEST FOR EXEMPT STATUS (CONTINUED)

If for a specific event, please give details:

Name of event Start date of event

Venue and Location

Important note: food or beverage purchased for an event where the recipient of the food or beverage reimburses the organization in any way, such as by purchase of a ticket, payment of a registration fee or making an involuntary contribution to attend such event is not exempt from Denver tax regardless of the exemption status of the organization.

ORGANIZATION ELIGIBILITY

Is the organization applying a governmental organization? NO YES

If yes, please supply a governmental information letter from the IRS or other proof of governmental status.

Has the organization received a determination letter from the U.S. IRS recognizing its 501(c)(3) status? NO YES

Is the applicant's entity name the parent organization with the 501(c)(3) status? NO YES

If the answer is "no," the subordinate group member that is applying must have parent organization apply

If answer is "no" to all questions above the organization does NOT qualify for Denver exempt status as a charitable organization or governmental organization.

Be sure the following is included your IRS determination, affirmation, good standing or group exemption letter for the entity holding the 501(c)(3) designation with this application for timely processing.

Email to: TaxExemption@denvergov.org or mail to: Department of Finance Treasury Division | Attention: Exemptions| 201 W. Colfax Avenue, Dept. 1009 Denver, CO 80202