

APPLICATION FOR EXEMPTION, FR-164

(Check Appropriate Boxes)

- INCOME AND FRANCHISE TAX
 SALES AND USE TAX (SEMI-PUBLIC INSTITUTION ONLY)
 PERSONAL PROPERTY TAX (SEMI-PUBLIC INSTITUTION ONLY)

1. Full name of organization _____

FEIN#

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2. Complete address (number, city/town and Postal Zip Code of the organization: P.O. Box is not acceptable.) including Website _____

3. Federal Exemption Status:

- IRS Determination Letter effective date _____ Internal Revenue Code Section _____
 Application filed (if not recognized) Date _____ Internal Revenue Code Section _____

4. Form of Organization:

- Corporation Date of incorporation _____ State _____
 Other-Describe _____

5. Purpose of Organization:

- Religious Library Other: Explain: _____
 Charitable Educational
 Scientific Hospital

6. Principal Sources of Income:

- Donations Assessments Interest Other: Explain _____
 Grants Initiation Fees Dividends
 Dues Rents Business Operations

7. End of Annual Accounting Period: _____

8. Date activities began in the District: _____

9a. Physical Location(s) of Personal Property in the District: _____

9b. Type of Personal Property Owned by Organization: (Also list total cost of property owned and located in the District) _____

Person Authorized to Discuss Application for Exemption:

Name: _____ Title: _____ Telephone: _____

Address: _____ FAX: _____ Email: _____

SIGNATURE AND VERIFICATION

Under the penalties provided by law, I declare that I have examined this application, including accompanying statements, and to the best of my knowledge and belief it is true, correct and complete.

Signature of Officer	Title	Date

10a. Does the organization control or is it controlled by any other organization?	Yes	No	If "Yes", attach an explanation.
b. Is the organization the outgrowth of (or successor to) another organization, or does it have a special relationship with another organization by reason of interlocking directorates or other factors?	Yes	No	If "Yes", attach an explanation.
c. Other than a statutory office, do you maintain regular places of business outside the District?	Yes	No	If "Yes", attach a statement indicating the locations.
d. Does the organization report any unrelated business income on Form 990T to the IRS?	Yes	No	If "Yes", attach an explanation of the nature of the organization's unrelated business activities or provide a copy of the latest filed Form 990T.
e. Does the organization file a Form 1120POL U.S. Income Tax Return for Certain Political Organizations with the IRS?	Yes	No	If "Yes", attach an explanation of the nature of the organization's political activities and provide a copy of the latest filed Form 1120POL.
f. Did the organization establish a political action committee described in section 527(f) (3) of the Internal Revenue Code?	Yes	No	If "Yes", attach an explanation of the nature of the organization's political activities and provide a copy of the latest filed Form 1120POL.
g. Does the organization sell any tangible personal property or provide personal services to persons or organizations located within the District?	Yes	No	If "Yes", attach an explanation of the nature of the organization's activities.
h. Did the organization purchase any tangible personal property outside the District for use in the District?	Yes	No	If "Yes", did the organization file an appropriate sales & use tax return with the District? If no please attach an explanation.

General Information

This application is for use by organizations who wish to apply for an exemption from the District of Columbia Income and Franchise Tax, Sales and Use Tax and Personal Property Tax. All questions on the application must be answered completely. Mail the completed application, with the various documents requested in the specific instructions, to the Office of Tax and Revenue, P.O. Box 556, Washington, DC 20044-0556, Attn: Exempt Organizations.

If you have questions, please call (202) 442-6586 between the hours of 7:30 a.m. and 5:30 p.m. Tuesday through Thursday.

Applicants for Income and Franchise Tax Exemption under Sec. 47-1802.1 of the DC Code:

Most organizations recognized by the Internal Revenue Service will qualify for exemption under the District of Columbia Income and Franchise Tax Act. The effective date for all income and franchise tax exemptions will be the effective date of the IRS Determination Letter.

Applicants for Sales and Use Tax Exemption under Sec. 47-2005 of the DC Code:

Under the District of Columbia Sales and Use Tax Act sales made to any organization which qualifies as a "semipublic institution" are exempt from the tax. A "semipublic" institution is defined under Sec. 47-2001(r) of the Act as "any corporation, and any community chest, fund, or foundation, organized exclusively for religious, scientific, charitable, or educational purposes, including hospitals, no part of the net earnings of which inures to the benefit of any private shareholder or individual." This exemption is limited to those organizations, which have been recognized as tax exempt under Section 501(c)(3) of the Internal Revenue Code of 1986 (or comparable sections under prior codes).

SEMIPUBLIC INSTITUTIONS ARE RECOGNIZED AS DC SALES TAX EXEMPT IF PHYSICALLY LOCATED IN THE DISTRICT.

The exemption applies only to those transactions, which occur on or after the date of the issuance of a Certificate of Exemption by the Office of Tax and Revenue.

Personal Property Tax Exemption under Sec. 47-1508 of the DC Code:

Organizations requesting an exemption from DC Personal Property Tax must own the personal property for which the request is being made, and qualify under Title 47, Section 1508 of the DC Code. Organizations that may qualify for exemption are any corporation, and community chest, fund or foundation, organized exclusively for religious, scientific, charitable, or educational purposes, including hospitals, no part of the net earnings of which inure to the benefit of any private shareholder or individual. The effective date for personal property tax exemptions will be the July 1 following the date of the initial application request.

Specific Instructions

FILE THE FOLLOWING DOCUMENTS WITH THIS APPLICATION: (If not currently available, state when they will be furnished).

- a. A copy of the latest determination or ruling letter you have received from the Internal Revenue Service, which approves your organization's exemption from Federal income tax.
- b. If incorporated in DC, a copy of your Certificate of Incorporation issued by the DC Department of Consumer and Regulatory Affairs, Corporate Division, or if not incorporated, a copy of your constitution, articles of association, declaration of trust, or other documents whereby you were created setting forth your aims and purposes, a copy of all amendments thereto, and any changes presently proposed.
- c. If not incorporated in DC a photocopy of a Certificate of Authority or Certificate of Registration issued by the DC Department of Regulatory Affairs, Corporate Division, must be submitted to the Office of Tax and Revenue with the Application for Exemption.
- d. If your organization has ever been recognized as tax exempt by the District, based on a previous application, please provide a copy of your DC letter of exemption or certificate of exemption.
- e. A copy of a lease, District of Columbia Occupancy Permit issued to organization or other documentation should accompany a request by a semi-public institution (501(c)(3) organization) for sales tax exemption to satisfy the physically located requirement.
- f. An organization should file Form FR-500 Combined Business Tax Registration Application with Form FR-164 Application for Exemption if not previously registered with the Office of Tax and Revenue.

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Chief Financial Officer
Office of Tax and Revenue



OTR TAX NOTICE 2011-7

November 17, 2011

**GUIDANCE ON APPLICATION FOR EXEMPTION FROM DISTRICT OF
COLUMBIA FRANCHISE, SALES AND USE, AND PERSONAL PROPERTY
TAXES**

Nonprofit organizations intending to conduct activities in the District of Columbia that may subject them to liability for franchise, sales and use, or personal property taxes are advised to submit an application for exemption from these taxes no later than the time that those activities commence.¹

An Application Is Required to Obtain an Exemption

Under District law, a determination of exempt status by the Internal Revenue Service (“IRS”) does not by itself confer exemption from these taxes. Applicable exemptions from District of Columbia taxes must be secured from the Office of Tax and Revenue (“OTR”). The statutes governing each of these taxes provide that an organization cannot claim the available exemptions from these taxes unless the organization first obtains a letter (in the case of the franchise and personal property taxes) or a certificate (in the case of the sales and use taxes) from OTR stating that it is entitled to an exemption. D.C. Code secs. 47-1508 (personal property tax); 47-1802.01 (franchise taxes); 47-2005(3) (sales and use taxes). It should be noted that the tax exemptions conferred by these statutes generally apply only with respect to activities in furtherance of an organization’s exempt purposes, and no exemption is provided with respect to business activities that are not related to an organization’s exempt purposes. Such unrelated business activities remain subject to tax.

Application Procedures

In order to apply for exemption from these taxes, an organization must submit Form FR-164 to OTR. Filing instructions are provided with the form, which is available through OTR’s Taxpayer Service Center. If an application is hand-delivered to an OTR unit authorized to receive the filing, it is considered filed on the date shown by the OTR date

¹ This notice does not address the process of securing exemption from real property or other District taxes.

stamp placed on the filing. If a properly addressed application is delivered to OTR by mail or private delivery service, it is considered filed on the postmark date shown on the envelope or wrapper. If a properly addressed application is received by OTR via facsimile, it is considered filed on the date that the facsimile is received by OTR.

Effective Date of Exemption

For franchise tax purposes, the exemption, if granted, is effective on the effective date of the exemption determination letter issued for the organization by the Internal Revenue Service.

The sales and use tax exemption, if granted, becomes effective when the exemption certificate is issued.

The personal property tax exemption, if granted, becomes effective on the July 1 following the date of the filing of Form FR-164.

Procedure for Organizations That Do Not Promptly File an Application

OTR encourages any organization that has commenced activities in the District, or that has become liable for franchise, sales and use, or personal property tax prior to filing an application for exemption, to promptly file Form FR-164 so as to help forestall the accumulation of additional tax liability. OTR has instituted a Voluntary Disclosure Program under which noncompliant taxpayers are permitted to pay certain tax liabilities and interest without imposition of civil penalties or fees. An organization that has delayed filing an application for exemption, but that has not been contacted by OTR or its representatives, should consider entering this program to clear outstanding liabilities.

DC CODE § 47-1508
DISTRICT OF COLUMBIA OFFICIAL CODE 2001 EDITION
DIVISION VIII. GENERAL LAWS.
TITLE 47. TAXATION, LICENSING, PERMITS, ASSESSMENTS, AND FEES.
CHAPTER 20. GROSS SALES TAX.

Current through October 2, 2001

§ 47-2005. Exemptions.

Gross receipts from the following sales shall be exempt from the tax imposed by this chapter:

- (1) Sales to the United States or the District or any instrumentality thereof except sales to national banks and federal savings and loan associations;
- (2) Sales to a state or any of its political subdivisions if such state grants a similar exemption to the District. As used in this paragraph, the term "state" means the several states, territories, and possessions of the United States;
- (3) Sales to semipublic institutions; provided, however, that such sales shall not be exempt unless:
 - (A) Such institution shall have first obtained a certificate from the Mayor stating that such institution is entitled to such exemption;
 - (B) The vendor keeps a record of the sale, the name of the purchaser, the date of each separate sale, and the number of such certificate;
 - (C) Such institution is located within the District; and
 - (D) The property or services purchased are for use or consumption, or both, in maintaining, operating, and conducting the institution for the purpose for which it was organized or for honoring the institution or its members;

DISTRICT OF COLUMBIA MUNICIPAL REGULATIONS

417.12. The location requirement of § 128(c) of the Act is not satisfied by a mere statutory office of a registered agent, but refers to a physical location where the activities of the organization are regularly carried on.