

MULTI STATE COMPLIANCE FOR EXEMPT ENTITIES



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Agenda

- Exempt Organizations
- Nexus
- Multi State Exemptions
- Non-Compliance
- Other Multi State Tax Trends & Pitfalls


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EXEMPT PER THE IRC
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EXEMPT PER THE STATE

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Exempt Organizations

Nonprofit Entities

- States make decision to tax
- Organization qualifications
- Section 501 of IRC
- Purpose of organization
- Exemption requirements

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Exempt Organizations ... continued

Federal Government

- States prohibited from taxing Federal Government
- Payments through federal funds
- Proof of exemption required

State & Local Government

- Exemption via legislative process
- Not all states provide exemptions for sales to their own agencies

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WHAT'S THE MEANING
OF NEXUS?

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First appeared as part of the conference materials for the

4th Annual Higher Education Taxation Institute session

"Dealing with Multi-State Compliance Issues and Employment Taxes"