

# 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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4<sup>th</sup> Annual Higher Education Taxation Institute session

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