

# Virginia Department of Taxation Instructions for Form NP-1 Sales and Use Tax Exemption Application for Nonprofit Organizations

For Faster Service register online @ [www.tax.virginia.gov/npo](http://www.tax.virginia.gov/npo)

- Please read instructions carefully before completing this form. For assistance call (804) 371-4023
- Please allow 30 days for processing
- Virginia law provides a retail sales and use tax exemption to organizations exempt under Internal Revenue Code 501(c)(3), (c)(4), or (c)(19)

Completed form can be faxed to (804) 786-2645 or mailed to:

Virginia Department of Taxation  
Nonprofit Exemption Unit  
Post Office Box 715  
Richmond, VA 23218-0715

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**Read these instructions carefully and complete all sections on the form**

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## Instructions

Complete this application if you are a nonprofit organization or nonprofit church applying for a retail sales and use tax exemption. For more information on exemption requirements, see Code of Virginia Section 58.1-609.11 or visit our website at [www.tax.virginia.gov/nonprofit](http://www.tax.virginia.gov/nonprofit). Review the checklist of requirements on page 4 of the instructions.

## Who Should File This Form

An organization that is exempt from federal income tax under Sections 501(c)(3), 501(c)(4) or 501(c)(19) and is able to provide an IRS Determination Letter. Churches may apply for a Virginia Tax-Exempt Number which provides a broader exemption for sales and use taxes.

Agencies of the United States and of the Commonwealth of Virginia and its political subdivisions should not use this form. They may make tax-free purchases by presenting vendors with the Form ST-12 Commonwealth of Virginia Exemption Certificate.

Virginia does not provide sales tax exemptions to other states or their political subdivisions.

## Specific Instructions

Enter all applicable information and attach the requested documents. Documents submitted with this application will not be returned, so be sure to keep copies.

## Section I: Reason for Submitting Form

**New Exemption Application** – select if you are applying for a retail sales and use tax exemption for the first time.

**Renewal Application** – select if you currently have an exemption that is due to expire or has expired.

(02/2026)

## Section II: Business Information

Enter the organization's full legal name (as it appears in its organizing documents), federal employer identification number (FEIN), (This number is not proof of federal exemption.) You must have a FEIN to apply. Visit the IRS website at [www.irs.gov](http://www.irs.gov) to apply for a FEIN.

Enter the street address of the organization's physical location. The exemption certificate will be mailed to the physical address provided. Enter the street address where the organization's financial records are available for public inspection if different from physical address.

Enter the name, title, telephone number and email address of the person to contact if we need more information or documentation to make our determination. This individual will be listed as the authorized representative on the exemption certificate.

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Select the box that best describes the purpose for which the organization was created

- |  |   |
|--|---|
| <input type="checkbox"/> Civic and Community Service | <input type="checkbox"/> Church                                       |
| <input type="checkbox"/> Cultural                    | <input type="checkbox"/> Educational <input type="checkbox"/> Medical |
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## Section III: Nonprofit Church

**Legislation provides two options for nonprofit churches requesting a retail sales and use tax exemption. Select only one option below.**

**Option 1 - Form ST-13A** – Churches using the self-issued exemption certificate are entitled to the sales and use tax exemption under Code of Virginia Section 58.1- 609.10(16). Churches selecting this option are limited on their purchases of tangible personal property. Title 23 of the Virginia Administrative Code (VAC) 10-210-310 provides an illustrative listing of taxable and exempt purchases for nonprofit churches.

The organization will not be assigned a tax- exempt number with this option.

**\*Stop here if you choose this option. Please visit [www.tax.virginia.gov](http://www.tax.virginia.gov) to download the Form ST-13A.**

**Option 2 -Tax-Exempt Number** - Nonprofit churches can apply to the department for a tax-exempt number and enjoy a broader exemption. Nonprofit churches applying for this option must meet all of the exemption requirements under Code of Virginia 58.1-609.11. If you choose this option, proceed to Section V: Financial Information.

**\*If your annual gross revenue is less than \$750,000, you must provide a yearend financial statement.**

#### Section IV: Exemption Type

**Question 8.** Complete this question only: 1) if you were granted an exemption from collecting the sales and use tax on sales made by the organization or fall within the same class of any entity exempt as of June 30, 2003; 2) if you were granted an exemption on the purchases of taxable service as of June 30, 2003 or 3) if you are a Veterans Service organization.

Review the list below and select the appropriate organization classification that applies to your organization. If none apply, select "Other" and proceed to Section V – Financial Information. Your organization will be granted an exemption on purchases only.

**Organization Classifications:** Review the list below and make a selection that best applies to your organization. This selection will determine the type of exemption your organization qualifies for.

1. **Cancer Organizations:** Organized exclusively for the purpose of eliminating cancer as a major health problem, by preventing cancer, saving lives from cancer, and diminishing suffering from cancer through research, education and service.
2. **Cardiovascular Organizations:** Organized and operated exclusively for the purposes of providing education, training, certification in emergency cardiac care, research, and other related services to reduce disability and death from cardiovascular diseases and stroke.
3. **Diabetes Organizations:** Organized and operated exclusively for the purpose of eliminating diabetes through medical research, public education focusing on disease prevention and education, patient education including information on coping with diabetes, and professional education and training.
4. **Exempt Taxable Services: Organizations exempt from paying Virginia sales and use tax on taxable services:** Certain nonprofit organizations exempt from paying sales tax on taxable services as of June 30, 2003, may continue to make purchases of taxable services exempt of the tax (e.g., Junior Achievement organizations, Skills USA-Vica, Inc., Future Business Leaders of America). This applies only to those organizations that held a valid exemption for taxable services as of June 30, 2003.
5. **Food Bank Organizations:** Food bank or organization organized exclusively for the distribution of foods to infants, the ill, or the needy. The exemptions shall apply to each transaction in the chain of commerce from manufacture to final disposition, provided that such food bank or organization is not conducted for profit.
6. **Fundraising For Elementary or Secondary Schools (e.g., Parent Teacher Association):** Nonprofit elementary or secondary school, or Parent Teacher Association or other group associated with a nonprofit elementary or secondary school for use in fund-raising activities, the net proceeds (gross receipts less direct expenses) of which are contributed directly to the school or used to purchase certified school equipment, and certified school equipment purchased by such groups for contribution directly to the school. For the purposes of this subdivision, "certified school equipment," means equipment for which the Parent Teacher Association or other group has received certification from the school that it will accept as a donation of equipment. The certification provided by the school shall be in accordance with regulations promulgated by the Tax Commissioner. Notwithstanding the other provisions of this subdivision, the tax shall not apply to the sale of class rings, school photographs, and other fund-raising programs from which a nonprofit elementary or secondary school receives a commission or the net proceeds after the payment of vendors and other direct expenses.
7. **Lung Organizations:** Organized and operated exclusively for the purpose of eliminating all lung disease, including asthma, emphysema, lung cancer and pneumonia, through medical research, public education focusing on disease prevention and education, patient education including information on coping with lung disease, smoking and air pollution prevention, and professional education and training.
8. **Noncommercial Educational Telecommunications Entity:** Nonprofit organized to encourage the growth and development of public radio and television broadcasting, including the use of such media for instructional, educational, and cultural purposes.
9. **Nonsectarian Youth Organizations (e.g., Boys and Girls Scouts):** Nonsectarian youth organization, which is organized for the purposes of character development and citizenship training of its members using the methods now in common use by Girl Scout or Boy Scout organizations in Virginia.
10. **Nutrition Programs:** Nonprofit nutrition programs for the elderly qualifying under 42 U.S.C. § 3030e through 42 U.S.C. § 3030g, as amended, as administered by the Virginia Department for the Aging, and the food and food products sold under such programs to elderly persons and the food and food products sold by such program

participants to disabled or handicapped persons under the age of sixty.

11. **Physical Education Programs:** Nonprofit charitable organization which is organized exclusively to foster, sponsor and promote physical education, athletic programs and contests for youths in the Commonwealth.
12. **Provide Food Packages at Reduced Prices:** Organized for the purpose of providing food packages at a reduced price through host organizations (i.e., churches, community centers, senior centers, medical centers, Head Start programs) to individuals who agree to perform community service.
13. **Services provided to:** (1) the blind or visually impaired or for programs devoted to the prevention of the loss of eyesight; (2) the deaf or hearing impaired; (3) drug abusers and for drug awareness programs; (4) diabetics and diabetes detection; or (5) cultural and educational opportunities for the musically talented boys and girls of the Commonwealth, for use in fund-raising activities, provided the net proceeds (gross receipts less expense) from such sales are contributed directly to or used to fund the charitable purposes for which the organization is organized (e. g., Lions Clubs).
14. **Supports Public Libraries:** Organized exclusively for the purpose of providing support to public libraries.
15. **Training and Education in Law Enforcement:** Exclusively provides training and education of any type or duration for employees of governmental law-enforcement and corrections agencies or education of the public in citizen cooperation with public authorities in crime prevention and solution, provided such foundation is nonprofit.
16. **Veterans Service Organizations:** Posts or organizations consisting of past or present members of the United States Armed Forces, or an auxiliary unit or society of, or a trust or foundation for such posts or organizations.
17. **Virginia Federation of Humane Societies:** Virginia Federation of Humane Societies or any chartered, nonprofit organization incorporated under the laws of the Commonwealth and organized for the purpose of preventing cruelty to animals and promoting humane care of animals, when such property is used for the operation of such organizations or the construction or maintenance of animal shelters.
18. **Volunteer Fire Department and Rescue Squads:** Volunteer fire departments or volunteer rescue squads, an auxiliary or junior organization of such department or squad not conducted for profit; a nonprofit association of which the regular membership is composed of such volunteer fire departments or volunteer rescue squads. The organizations shall be exempt on construction materials incorporated into realty when sold to and used by such organization, rather than a contractor, in construction,

maintenance, or repair of any property of such organization.

19. **Volunteer Medical Service Organizations:** Provide reconstructive surgery and related health care to indigent children and young adults in developing countries and the United States.
20. **Youth Symphony Orchestras:** Organized exclusively to foster, promote and increase the musical knowledge, appreciation, and experience and performing ability of young people and of the general public, by establishing, maintaining and operating one or more youth symphony orchestras in the Commonwealth.
21. **Other:** If your organization does not meet any of the above choose this option.

### Section V: Financial Information

If you are a new organization and have no financial information at this time enter zero(s) in the applicable fields.

**a) Previous Year's Annual Gross Revenue (AGR):** Enter revenue received from all sources during the organization's annual accounting period before subtracting any costs or expenses. If you file federal Form 990, 990-EZ or 990-PF, enter the amount as reported to the IRS. If you file Form 990-N e-Postcard or if you have no filing requirement with the IRS, refer to your organization's financial report for this information. If your annual gross revenue in the previous year is less than \$5,000, you must provide a detailed mission statement and a financial statement verifying gross revenue, administrative and fundraising expenses.

**NOTE:** Nonprofit organizations with gross annual revenue of at least \$750,000 in the previous year are required to provide a financial review performed by an independent Certified Public Accountant. The Department requires an organization with gross annual revenue of at least \$1.5 million in the previous year to provide a financial audit performed by an independent Certified Public Accountant in lieu of a financial review.

**b) Previous Year's Total Fundraising Expenses:** Enter fundraising expenses incurred in soliciting contributions, gifts and grants. Fundraising expenses should include all allocable overhead costs incurred in: **(1)** publicizing and conducting fundraising campaigns; **(2)** soliciting bequests and grants from foundations or other organizations, or government grants; **(3)** participating in federated fundraising campaigns; **(4)** preparing and distributing fundraising manuals, instructions, and other materials; **(5)** salaries; and **(6)** conducting special events that generate contributions. If you file federal Form 990, 990-EZ or 990-PF, enter the amount as reported to the IRS. If you file Form 990-N e-Postcard or if you have no filing requirement with the IRS, refer to your organization's financial report for this information.

**c) Previous Year's General Administrative Expenses:** Enter administrative expenses incurred for overall function and management, rather than for its direct conduct of fundraising activities or program services. Overall management includes the salaries and expenses of the chief officer of the

organization and that officer's staff. If part of their time is spent directly supervising program services and fundraising activities, their salaries and expenses should be allocated among those functions. If you file federal Form 990, 990-EZ or 990-PF, enter the amount as reported to the IRS. If you file Form 990-N e-Postcard or if you have no filing requirement with the IRS, refer to your organization's financial report for this information.

**NOTE:** In order to qualify for exemption, an organization's fundraising expenses and administrative expenses must be less than 40% of the annual gross revenue.

If you do not have formal financial statements, you may use the following example as a guide. Bank statements, copies of receipts, invoices, and journal or ledger sheets are **not** acceptable substitutes

**SAMPLE INCOME & EXPENSE STATEMENT**

Name of Organization \_\_\_\_\_  
 FEIN \_\_\_\_\_  
 Calendar/Fiscal Year: Month 1, 20\_\_ – Month 31, 20\_\_

<b>Beginning balance:</b>	\$	<b>00</b>
<b>Income:</b>		
<b>Contributions</b>	\$	<b>500</b>
<b>Program fees</b>		<b>100</b>
<b>Interest income</b>		<b>100</b>
<b>Special Events (net amount)</b>		<b>100</b>
<b>Other Income (describe)</b>		<u><b>200</b></u>
<b>Total Income:</b>		<b>\$1000</b>
<b>Expenses:</b>		
<b>Advertising</b>	\$	<b>100</b>
<b>Compensation of officers/staff</b>		<b>100</b>
<b>Fundraising expenses</b>		<b>100</b>
<b>Rent</b>		<b>100</b>
<b>Utilities</b>		<b>100</b>
<b>Supplies/postage</b>		<b>100</b>
<b>Insurance</b>		<b>100</b>
<b>Legal/accounting fees</b>		<b>100</b>
<b>Other Expenses (describe)</b>		<u><b>100</b></u>
<b>Total Expenses:</b>	\$	<b>900</b>
<b>Total Income minus Total Expenses</b>	\$	<b>100</b>
<b>Balance at the end of the year:</b>	\$	<b>500</b>

I hereby certify that, to the best of my knowledge, that the financial statement above is accurate and correct.

(SIGNED)  
 Printed Name, Treasurer

**Note:** The above example is only a guideline. Fiscal year dates differ per organization. The amounts and income and expenses may differ. Always have your financial officer review

all financial reports. This treasurer's report must include the certification statement as shown above.

**Section VI: Total Purchases Made in Virginia**

Definition of Tangible Personal Property (TPP) – is any items that can be seen, weighed, measured, felt, or touched, or is in any other manner perceptible to the senses. Examples of tangible personal property include supplies, furniture, office equipment, or any items purchased for use or consumption by the organization. TPP does **not** include hotel accommodations. Effective April 22, 2016, tangible personal property includes meals, prepared food and catering.

**Purchases Made in Virginia**

Virginia law provides an exemption to nonprofit organizations on purchases of tangible personal property for its use or consumption. Effective July 1, 2013, the Retail Sales and Use Tax rate for most purchases increased to 5.3 percent statewide. For Northern Virginia and Hampton Road regions, the sales tax rate increased to 6 percent.

- a) Enter an estimate of the dollar amount of Virginia purchases made or to be made in the designated regions during the previous and current calendar years. Do not leave a box blank. If no purchases were made in a particular region, enter a "zero". Do not include the sales tax when calculating your purchase amounts.

**NOTE: Failure to provide the information may result in the denial of an exemption request.**

- b) If the organization does not intend to make purchases in Virginia, please provide a brief statement explaining why the organization is requesting a sales and use tax exemption.

**Section VII: Filing Requirement**

Federal Form 990, 990-EZ, 990-PF or 990-N Requirement:  
 The Internal Revenue Service requires most organizations exempt under 501(c)(3), (c)(4) or (c)(19) to file an annual information return (Form 990, 990-EZ, 990-PF) or submit an annual electronic notice (Form 990-N e-Postcard), depending upon the organization's gross receipts and total assets. Select the appropriate box that applies to your filing status.

If your organization is required to file a federal Form 990, 990-EZ, 990-N e-Postcard, or 990-PF with the Internal Revenue Service (IRS), you will be asked to upload a copy of the form or mail to the Department of Taxation, Post Office Box 715, Richmond, VA **23218-0715**. You must also provide the due date of the most recent filed return, or if you are newly organized and have not filed your federal form, provide the date the form is due.

If the organization has no filing requirement with the IRS (churches only), then you must provide the following information: a copy of the organization's prior year financial statement verifying the annual gross revenue, fundraising and general administrative expenses, and name, title and address of two members of the Board of Directors; and location where

the financial records of the organization are available for public inspection.

No documentation is required if your organization does not meet the solicitation requirement.

**Section VIII: Virginia Solicitation of Contributions Law:**

Virginia law requires organizations that solicit contributions or donations in Virginia to register with the Virginia Department of Agriculture and Consumer Services (VDACS). The organization must provide proof of compliance with the state solicitation laws under Chapter 5, Title 57 of the Code of Virginia. If you have any questions, call VDACS at (804) 786-1343.

If your organization solicits contributions or donations in Virginia, you must provide proof of registration.

**Section IX: Signature. This section must be completed.**

An officer of the organization must sign and date this application. Be sure you have completed all applicable entries and included true copies of all required documents. Keep copies of your application and all attachments. Read the statement and complete the section if you are authorized to sign the application. If not, have the application signed and dated by an authorized person. Unsigned applications will not be processed.

**CHECKLIST OF REQUIREMENTS**

Please make sure all questions are answered and that the following documents are included with the application, if required:

- ✓ **501(c)(3), 501(c)(4) or 501(c)(19) - IRS Determination Letter**
- ✓ **Mission Statement or Statement of Purpose for organizations with Annual Gross Revenue less than \$5,000**
- ✓ **New organizations must submit a signed budget with the anticipated revenues and expenses for the current year**
- ✓ **Proof of registration for Virginia Solicitation of Contributions Law**
- ✓ **Complete copy of Federal Form 990, 990-EZ, 990-PF, or 990-N e-Postcard**
- ✓ **Organizations that file the 990-N e-Postcard must provide an income and expense statement for the most recently completed year, signed by an officer of the organization certifying that the submitted information is valid.**
- ✓ **Financial Review prepared by an independent Certified Public Accountant if AGR is greater than \$750,000**
- ✓ **Financial Audit prepared by an independent Certified Public Accountant if AGR is greater than \$1.5 million**
- ✓ **Yearend Financial Statement for nonprofit churches with AGR less than \$750,000**
- ✓ **Total Taxable Purchases Made in Virginia (estimates are acceptable)**
- ✓ **Authorized Representative's Signature**