



STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION

1020 N STREET, SACRAMENTO, CALIFORNIA
 PO BOX 942879, SACRAMENTO, CALIFORNIA 94279-0001
 TELEPHONE (916) 920 - 7445

MEMBER
 First District

BRAD SHERMAN
 Second District, Los Angeles

ERNEST J. DRONENBURG, JR.
 Third District, San Diego

MATTHEW K. FONG
 Fourth District, Los Angeles

GRAY DAVIS
 Controller, Sacramento

February 11, 1994

REDACTED TEXT

BURTON W. OLIVER
Executive Director

Dear REDACTED TEXT,

This is in response to your letter dated December 3, 1993, in which you ask if it is possible for a church to obtain an exemption from sales taxes.

A sales tax is imposed on all retailers measured by their gross receipts from retail sales of tangible personal property in this state. (Rev. & Tax. Code §6051.) A retail sale is a sale for any purpose other than resale in the regular course of business. (Rev. & Tax. Code §6007.) There are no sales tax exemptions for churches arising from their non-profit status or because they are exempt from income taxation under the Internal Revenue Code. Retail sales of tangible personal property by a non-profit organization in California are subject to sales tax. Retail sales of tangible personal property to a nonprofit organization in California are also subject to sales tax. Therefore, retail sales of tangible personal property to and by your church are generally subject to tax.

Although sales tax is imposed on the retailer, the retailer may collect sales tax reimbursement from his or her customer if the contract of sale so provides. (Civil Code §1656.1) A copy of Regulation 1700 is enclosed for your information.

If you have further questions, feel free to write again.

Sincerely,

Pat Hildebrand
 Staff Counsel

PH:cl