
EXEMPT ORGANIZATIONS

In order to enjoy exemption from Wheat Ridge tax, a City exempt organization license is needed.

State or Federal exempt status may indicate qualification for Wheat Ridge exempt status but does not guarantee it.

- Federal governmental agencies and departments are automatically exempt
- Colorado State and local governmental agencies and departments are automatically exempt
- Colorado public school, water or sanitation districts are automatically exempt
- Quasi-governmental entities may be exempt
- Charitable, private educational or religious organizations may be exempt

HOW TO APPLY

- Complete the Exempt Institution License Application. There's no fee.
- Submit it to the Tax Office with documents sufficient to establish the exempt nature of activities:
 - Federal and state exemption letters
 - Certificate of incorporation
 - Bylaws
 - Detailed financial statements
 - Other items as requested

The City will review the documents and perhaps interview a representative to determine if activity warrants an exemption.

Determination is based on the following requirements:

- Exclusively, freely and voluntarily ministers to physical, mental or spiritual needs of members.
- Non-profit: activities are not conducted for retained profits
- Profit must be:
 - Used for chartered purpose
 - Expended in one year
 - Use to develop or expand services
- Fees must be:
 - Directly related to benefits
 - Waived or reduced for hardship
- No profit except as designated
- Governmental, quasi-governmental or political subdivision

- Services provided solely to members

Re-application is required every 3 years.

BENEFITS OF LICENSING

LOCAL TAX EXEMPT PURCHASING

A Wheat Ridge licensed exempt organization is permitted to purchase items to use in performing exempt activities free of the local tax. For an exempt organization located in Wheat Ridge, utilities and telecommunications are included in the exemption.

FUNDRAISING SALES

Casual sales up to \$25,000 a year made by an exempt organization are exempted from sales tax. The limit on a single transaction is \$5,000. Ongoing sales, such as at a thrift shop or gift shop, are not exempt. No reports of sales are required, but the City reserves the right to audit the use of the exemption.