



November 15, 2022

**Association of
American Medical Colleges**
655 K Street, NW, Suite 100, Washington, DC 20001-2399
T 202 828 0400
aamc.org

Re: AAMC Sales Tax Exempt in Vermont


Pursuant to [Vermont Annotated Statutes Title 32, Section 9743\(3\)\(A\)](#), the AAMC is a 501(c)(3) nonprofit organization and qualifies as a Vermont state sales tax exempt organization. The Vermont state sales tax is currently 6%. This sales tax exemption is only applicable to sales made directly to the AAMC, such as to a hotel master account, P-card purchases, or goods/services invoiced to the AAMC.

Vermont does not issue sales tax exempt certificates. Vermont [issued guidance](#) on what tax-exempt organizations should do within 90 days of the date of purchase to qualify for sales tax exemption. The AAMC Vermont Business Tax Account Number is SUT-10861264 (which satisfies the Commissioner certificate requirement).

Provide to following to the vendor when requesting a Vermont state sales tax exemption (attached below):

- A completed Form S-3 (partially completed)
 - Note, the form is not a fillable PDF. You must “Add Text” to make changes.
- Vermont issued guidance

As some vendors may be less familiar with tax-exempt out-of-state organizations, please provide these documents to the vendor in advance of finalizing the contract or completing the purchase so that the state sales tax may be removed from our final bill. If the contract is signed well in advance of the provision of goods/services, please request that the vendor provide a letter (or email) acknowledging that the AAMC is exempt from Vermont state sales tax, provided that the law does not change.

	<p>Vermont Sales Tax Exemption Certificate for</p> <p>PURCHASES FOR RESALE, BY EXEMPT ORGANIZATIONS, AND BY DIRECT PAY PERMIT</p> <p>32 V.S.A. § 9701(5); § 9743(1)-(3); § 9745</p>	<p>Form S-3</p>
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To be filed with the ***SELLER***, not with the Vermont Department of Taxes.

- ☐ Single Purchase - Enter Purchase Price \$ _____
☐ Multiple Purchase (effective for subsequent purchases.)

BUYER

Buyer's Name Association of American Medical Colleges		Federal ID Number 36-2169124	
Trading as		Telephone Number 202-828-0400	
Address 655 K Street NW, Suite 100			
City Washington	State DC	ZIP Code 20001	
Buyer's Primary Business nonprofit in support of academic medicine			

SELLER

Seller's Name		
Address		
City	State	ZIP Code

EXEMPTION CLAIMED

DESCRIPTION. Description of purchased articles	
BASIS FOR EXEMPTION	
<input type="checkbox"/> For resale/wholesale	Vermont Sales & Use Tax Account Number: <u>SUT-1086124</u>
<input type="checkbox"/> Purchase by 501(c)(3) organization	Vermont Account Number: _____
<input type="checkbox"/> Direct payment by federal or Vermont governmental unit	
<input type="checkbox"/> Direct Pay Permit	Permit #: _____
<input type="checkbox"/> Purchases by 501(c)5 organization presenting fairs, field days, or festivals.	Events: _____
. Dates: _____	
. Vermont Sales & Use Tax Account Number: _____	
<input type="checkbox"/> Purchase by volunteer fire department, ambulance company, rescue squad. (Registration is not required.)	

SIGNATURE

I certify that I have read and complied with the instructions provided with respect to the use of this Exemption Certificate. I further certify that the above statements are true, complete, and correct, and that no material information has been omitted.



Signature of Buyer or Authorized Agent

Title

Date

FORM S-3 Instructions

Vermont Sales Tax Exemption Certificate for Purchases for Resale, by Exempt Organizations, and by Direct Pay Permit

This exemption certificate *does not* apply to contractors.

General Information

Please print in BLUE or BLACK ink only.

This exemption certificate applies to the following:

- Purchase(s) of tangible personal property for the purpose of resale
- Purchase(s) by an organization which is designated as a 501(c)(3) by the Internal Revenue Service, or agricultural organizations qualified for exempt status under § 501(c)(5) when presenting agricultural fairs, field days, or festivals
- Purchase(s) by a Federal or Vermont governmental unit (direct payment)
- Purchase(s) using a Direct Pay Permit
- Purchase(s) by a volunteer fire department, ambulance company, or rescue squad

Please note: Civic, social, recreational, and business league organizations are not 501(c)(3) organizations, and therefore cannot make exempt purchases.

Accepting an Exemption Certificate in “Good Faith”

The buyer must present to the seller an accurate and properly executed exemption certificate for the exempted sale. The responsibility is on the seller to determine if the buyer is submitting the exemption certificate in “good faith.” This requires the seller to be familiar with Vermont Sales and Use Tax law and regulations, including exemptions, that apply to the seller’s business. If the buyer provides a certificate that is not valid, i.e., the item purchased does not qualify for the exemption, this is not in good faith and the seller should not accept the certificate. When the seller accepts the certificate in good faith, the seller is not liable for collecting and remitting Vermont Sales Tax.

An exemption certificate is received at the time of sale in good faith when all of the following conditions are met:

- The certificate contains no statement or entry which the seller knows, or has reason to know, is false or misleading.
- The certification is on an exemption form issued by the Vermont Department of Taxes or a form with substantially identical language.
- The certificate is signed, dated and complete (all applicable sections and fields completed).
- The property purchased is of a type ordinarily used for the stated purpose, or the exempt use is explained.

Burden of Proof

The burden of proof is on the seller to demonstrate the certificate was taken in good faith. If the seller cannot provide an exemption certificate showing that the sale was exempt, the Department will seek to collect tax from the seller. If, however, the seller can prove the buyer's claim for the exemption was false, the Department will seek to collect the tax from the buyer.

Obtaining the Exemption Certificate

The seller must obtain an exemption certificate from the buyer either prior to or at the time of the sale. If the certificate is not available at the time of sale, the seller has 90 days after the sale to obtain a fully executed certificate, accepted in good faith.

Retaining the Exemption Certificate

Sellers must retain exemption certificates for at least three years from the date of the last sale covered by the certificate to document why the tax was not collected from the buyer.

Multiple Purchase Exemption Certificates

If the buyer presents a "Multiple Purchase" exemption certificate to the seller, it may be used only when purchasing *tangible personal property for use as indicated on this exemption certificate*. For each purchase covered by the exemption certificate, the sales slip or invoice must show the buyer's name and address sufficient to link the purchase to the exemption certificate on file.

Other types of exemption certificates that may be applicable are available on our website at tax.vermont.gov/business-and-corp/nonprofit-and-exempt-organizations/exemption-certificates/. For questions regarding how these exemption certificates may be properly applied, please contact the Vermont Department of Taxes at (802) 828-2551.

The Vermont Statutes Online

Title 32 : Taxation And Finance

Chapter 233 : Sales And Use Tax

Subchapter 002 : Exemptions

(Cite as: 32 V.S.A. § 9743)

§ 9743. Organizations not covered

Any sale, service, or admission to a place of entertainment charged by or to any of the following or any use by any of the following are not subject to the sales and use taxes imposed under this chapter:

(1) The State of Vermont, or any of its agencies, instrumentalities, public authorities, public corporations, including a public corporation created pursuant to agreement or compact with another state, or political subdivisions when it is the purchaser, user, or consumer, or when it is a vendor of services or property of a kind not ordinarily sold by private persons, or when it charges for admission to any entertainment; except that sales of alcoholic beverages shall not be exempt from sales tax.

(2) The United States of America, any of its agencies and instrumentalities, insofar as it is immune from taxation when it is the purchaser, user, or consumer, or when it sells services or property of a kind not ordinarily sold by private persons.

(3) Organizations that qualify for exempt status under the provisions of 26 U.S.C. § 501(c)(3) and agricultural organizations qualified for exempt status under 26 U.S.C. § 501(c)(5), when presenting agricultural fairs, field days, or festivals, as amended, shall be exempt as follows:

(A) The organization first shall have obtained a certificate from the Commissioner stating that it is entitled to the exemption. The Commissioner shall issue a certificate to any organization that has received federal certification of Section 501(c)(3) status and may issue a certificate to any other qualified organization.

(B) Charges for admission to a place of entertainment by and sales to or uses by such organizations shall be exempt from the tax under this chapter.

(C) Sales other than entertainment charges by qualified Section 501(c)(3) organizations shall be exempt if the organization's gross sales of tangible personal property and services that would be subject to tax under this chapter but for this subdivision, in the prior year, did not exceed \$20,000.00.

(D) Sales of fresh cut flowers only, by a qualified Section 501(c)(3) organization, during a single annual sales event not to exceed seven days, shall be exempt.

Vermont Department of Taxes
TECHNICAL BULLETIN

TAX: Sales and Use Tax

TB-2

SUBJECT: 501(c)(3) Non Profit Organizations Exemption **ISSUED:** 8/18/95
To define exemption criteria of Section 9743(3),
as amended by 1995 Legislature.

Effective Date: The changes to 32 VSA Section 9743(c) become effective July 1, 1995.

Exemption Available: Exemption from Vermont sales and use tax is granted to organizations which qualify for exempt status under the provisions of section 501(c)(3) of the United States Internal Revenue Code. An organization may qualify for 501(c)(3) status, but not receive Internal Revenue Service designation, and still be eligible for the sales and use exemption.

Definition of organization: Designated organizations are those that made application to, and received 501(c)(3) status from the Internal Revenue Service.

Qualified organizations are those whose purposes conform to the description contained in section 501(c)(3) of the United States Internal Revenue Code, or organizations excused from making application for 501(c)(3) status under the provisions of section 508(c) of the United States Internal Revenue Code. Text of IRC Sections 501(c)(3) and 508(c) are on page 4 of this bulletin.

Proof of 501(c)(3) qualification: A designated organization must submit a copy of the Internal Revenue Service ruling letter designating the organization as an exempt entity.

A qualified organization must submit its articles of association, evidence of the exempt purpose, and any other documents that may support the organization's claim as a qualified organization eligible for exemption from the sales and use tax. The Department will use Internal Revenue Code sections and guidelines to evaluate the organization's supporting documentation. If the evaluation shows the organization would have a reasonable likelihood of receiving 501(c)(3) status if a federal application were made, the Department will qualify the organization and grant sales and use tax exemption.

Receiving Vermont Sales and Use Tax Exemption: The organization must first be certified eligible by the Commissioner of Taxes. This is done by completing and submitting to Vermont Department of Taxes a Form S-1, Application for Vermont Business Tax Account Number, along with documents as proof of 501(c)(3) qualification. The Department will notify the organization whether it has qualified for or been denied the exemption. Appropriate certificates of exemption will be issued to eligible organizations as evidence of exemption from sales and use tax as provided by 32 V.S.A. Section 9743(3).

Purchases Made By 501(c)(3) Organizations: Purchases made by the 501(c)(3) organization are exempt from Vermont sales and use tax. The 501(c)(3) organization must present its certification of exemption to the vendor to make the purchase free of sales tax.

Sales Made by 501(c)(3) Organizations:

Tangible Personal Property: The 501(c)(3) organization does not collect sales tax on items it sells when the gross sales of tangible personal property and services, which would otherwise be subject to sales tax if not sold by an exempt entity, did not exceed \$5,000 in the prior year. The term *gross sales of tangible personal property and services* means sales of items or services