

Guidelines for Purchase of Tax-Exempt Tangible Personal Property

INTRODUCTION

The following is to outline the University Baptist Church (UBC) policy and procedures relative to the purchase of tangible personal property exempt from Virginia Sales and Use Tax. The policy and procedures are mandated pursuant to Code of Virginia §58.1-609.10 which provides the exemption from Sales and Use Tax for nonprofit churches. It is our policy to follow and conform to Virginia law and applicable Regulations.

I. Tax Exempt Status

- A. UBC is a nonprofit church that is exempt from income taxation pursuant to §501(c)(3) of the Internal Revenue Code. As such, UBC is covered by the aforementioned exemption rules applicable to nonprofit churches.
- B. Accordingly, UBC is entitled to purchase tangible personal property **exempt** from Virginia Sales and Use Tax for use:
 - 1) in religious worship services by the congregation or church membership while meeting together in a single location, and
 - 2) in the libraries, offices, meeting or counseling rooms or other rooms in the public church buildings used in carrying out the work of the church and our related ministries, including kindergarten, elementary and secondary schools.
 - 3) The exemption for such churches (UBC) shall also include the purchase of tangible personal property for use in:
 - a. baptistries;
 - b. bulletins, programs, newspapers and newsletters that do not contain paid advertising and which are used in carrying out the work of the church;
 - c. gifts including food for distribution outside the public church building;
 - d. food, disposable serving items, cleaning supplies and teaching materials used in the operation of camps or conference centers by the church or an organization composed of churches that are exempt under this subdivision and which are used in carrying out the work of the church or churches;
 - e. property used in caring for or maintaining property owned by the church including, but not limited to, mowing equipment;
 - f. building materials installed by the church, and for which the church does not contract with a person or entity to have installed, in the public church buildings used in carrying out the work of the church and its related ministries, including, but not limited to worship services;
 - g. administrative rooms;
 - h. and kindergarten, elementary, and secondary schools.

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II. Policy Review

- A. This policy shall to be reviewed and revised periodically by the Finance Committee as necessary to conform to changes that occur in Virginia law and applicable Regulations governing the purchase of tangible personal property exempt for sales and use tax by nonprofit churches.