Admissions Tax Exemption

Not-for-Profit - Prequalification Checklist

- ☐ My business/organization is a registered Not-for-Profit Corporation approved with the IRS as a 501 (c) (3), (4), or (6)
- ☐ My business/organization has a current City of Seattle business license/tax account with no outstanding obligations
- ☐ My business already has a Certificate of Registration for Admission Tax with the City of Seattle
- ☐ Upon application, we will be able to provide copies of the following:
    - Determination letter from the IRS approving our organization has successfully registered with them as a Not-for-Profit 501 (c)(3), (4), or (6)
    - A copy of the Articles of Incorporation
    - A copy of your Corporate By-Laws
    - A copy/list of the current Governing Board Members with contact information

If one or more of these items are not fulfilled, an application for exemption of the Admission Tax for Non-Profits under SMC 5.40.085 will not be considered for approval.

To check the status of business license/tax account, obtain an application for Certificate of Registration for Admission Tax, or if you have questions please contact our office by phone at (206) 684-8484 or e-mail tax@seattle.gov.

For more information about the Not-for-Profit Admission Tax exemption you may also visit: http://www.seattle.gov/business-license-tax/other-seattle-taxes/admission-tax

Please be sure to have your customer number ready or to include it in your e-mail inquiry.

CITY OF SEATTLE
DEPARTMENT OF FINANCE AND ADMINISTRATIVE SERVICES
LICENSING AND TAX ADMINISTRATION

APPLICATION FOR CERTIFICATE OF EXEMPTION FROM COLLECTING ADMISSION TAX
NONPROFIT ORGANIZATIONS
SMC CHAPTER 5.40.025

1. Name of Organization: _____Cust Nr: _____

   Trade Name: _____

   Business Address: _____ Phone: (_____)_____
   Fax: (_____)_____

   City: _____ State:_____ Zip Code: _____

2. The principal purpose of this organization is: _____
   _____

3. Describe the activity or activities of the organization for which this application for exemption from collecting admission tax is requested:
   _____
   _____
   _____
   _____

The organization applying for exemption must meet at least one of the following criteria (SMC 5.40.025 A (11)). Please check each that applies:

- o Publicly sponsors and through its members, representatives, or personnel, promotes, publicizes and distributes most of the tickets for admission.

- o Publicly sponsors and presents the event at a facility it owns or leases as lessee for a term of not less than one month.

- o Publicly sponsors and (1) performs a major portion of the performance; or (2) supplies a major portion of the materials on exhibit; or (3) when the event is part of a season or series of performances or exhibitions, performs the major portion of the performance or exhibitions in the season or series.

4. Describe any other activities of this organization, if any, when admission taxes will be collected:

_____

_____

_____

5. The organization requesting exemption affirms under oath by signature of applicant that:

(a) Admission tax will be collected, retained in trust and remitted as required to the City of Seattle on all events conducted by this organization which do not qualify for exemption, as follows (SMC 5.40.025 A (11)(c); SMC 5.40.025 B):

- Athletic Events, such as football, basketball or baseball games.
- Recreationational Activities, such as golfing, skating or swimming.
- Events (in the case of a performance) held at a location where the seating capacity is three thousand one hundred (3,100) people or more, or (in the case of an exhibition) over 3,100 persons will be permitted on the premise at any one time.

(b) The organization requesting exemption will receive the use and benefit of admission charges collected and such funds will be used for the exclusive furtherance of the purposes stated in question two (2) above.

(c) The organization requesting exemption shall not lend its name or endorsement to any event for the purpose of avoiding collection and remittance of admission taxes when a guest artist, a promoter, or commercial producer exercises effective control over the production, takes the business risks and directs the expenditure of the gross proceeds from such event.

(d) The organization requesting exemption shall, upon request by the Director of Finance and Administrative Services, supply documents and information needed to determine whether or not a particular event is covered by this exemption.

(e) The organization requesting exemption is, and shall remain, current with all licensing and tax requirements.

6. ATTACHED HERETO:

(a) A legible copy of the organization's certification from the United States as being exempt from income taxation under 26 USC Section 501(c) (3), (4), or (6); and

(b) Copies of the Articles of Incorporation, current by-laws which states the purpose of the organization, and a current list of all governing board members

Name and location of venue _____

_____

(c) A copy of the Agreement or Contract between the sponsor and the performers showing the sponsor to be financially "at risk" for the success or failure of the performance or activity (in the absence of such contract or agreement, an affirmative signed statement to such effect will suffice).

The organization named above will comply with all the requirements of Chapter 5.40 of the Seattle Municipal Code and the Rules and Regulations pertaining thereto.

If the foregoing representations are materially inaccurate or breached, and the admission taxes are due, the applicant will be responsible for payment to the City of Seattle the amount of such taxes found due, together with penalties and interest thereon from the time of collection of the admission charges.

It is understood and agreed that the Director of Finance and Administrative Services will be promptly notified in writing of any subsequent change in conditions from the facts stated above or status of the organization.

Print Name: _____

Signature: _____

Title: _____

Date: _____

5.40.085

Certificate of exemption—Application, issuance—Cancellation—Proof of nonprofit status

A. Any person seeking to secure an exemption pursuant to Section 5.40.025 from the admission tax as provided in this Chapter 5.40 shall present, at the time of its application for a business license tax certificate as described in Section 5.55.030, official proof of its exemption from federal income taxation pursuant to Section 501(c)(3), (4) or (6) of the Internal Revenue Code of 1986, as now existing or hereafter amended, or in the alternative provide proof of its specific exemption from the requirement to file IRS Form 1023 in order to obtain tax exempt status. If the exemption applicant already has a business license tax certificate, then the request for exemption and proof required above shall be filed prior to engaging in the activity that requires an admission. If the Director determines that persons paying such admission charge are not subject to the admission tax, the applicant shall receive a certification of such determination for the activity or series of activities, as the case may be. The Director shall issue a person a certificate of exemption that applies retroactively if the person presents proof of eligibility for a certificate of exemption under this Section 5.40.085 for the entire period of retroactive certification and also remits to the City any admission tax collected under subsection 5.40.020.H but not yet remitted. The City shall not refund any admission tax already remitted to the City by the person prior to the issue of the certificate of exemption.

B. The Director may cancel the certificate of exemption of any college, university, or nonprofit organization that (1) secures an exemption from the tax by making a false representation in its application, or (2) otherwise violates Section 5.40.025 or a rule or regulation of the Director implementing it.

C. If the Director has ordered a certificate of exemption cancelled, an aggrieved person may contest the cancellation by filing a notice of appeal and request for hearing with the Hearing Examiner within 30 days after service or mailing of the order. If a request for hearing is filed by the applicant within the prescribed period, a hearing shall be scheduled before the Hearing Examiner and shall be conducted by the Hearing Examiner according to the applicable Hearing Examiner rules.

D. A certificate of exemption issued under subsection 5.40.085.A will be valid for as long as the person receiving the certificate holds a business license tax certificate under Section 5.55.030 and remains eligible to obtain a certificate under subsection 5.40.085.A.

(Ord. 124903, § 1, 2015; Ord. 124808, § 6, 2015; Ord. 121253 § 10, 2003; Ord. 120794 § 116, 2002; Ord. 118141 § 1, 1996; Ord. 117169 § 18, 1994; Ord. 112813 § 2, 1986; Ord. 111449 § 4, 1983; Ord. 102719 § 3(part), 1973; Ord. 102622 § 3(part), 1973; Ord. 72495 § 8(part), 1943.)