

## Blanket Certificate for Exempt Qualifying Purchases of Meals or Lodging by Exempt Entities

This certificate must be approved by the Department of Revenue Services (DRS) **before** the event.

Name of exempt entity	Federal Employer Identification Number
Address of exempt entity	Connecticut Exemption Permit Number (If any)

*(If the exempt entity was not issued a Connecticut exemption permit (E-number), attach a copy of the exempt entity's I.R.C. § 501(c)(3), (4), or (13) determination letter.)*

Name of retailer	Check appropriate box(es) <input type="checkbox"/> Meals <input type="checkbox"/> Lodging
Address of retailer	

Describe purpose or reason for events: (Be specific. For example, meeting of board of trustees, or luncheon to honor volunteers)

Will the exempt entity receive reimbursement, full or partial, for any or all of the meals or lodging? <input type="checkbox"/> Yes <input type="checkbox"/> No	Will the retailer of the meals or lodging directly invoice and charge the exempt entity for the meals or lodging? <input type="checkbox"/> Yes <input type="checkbox"/> No
Will the exempt entity make a charge, by whatever name called, for the meals or lodging to those who will consume the meals or lodging? <input type="checkbox"/> Yes <input type="checkbox"/> No	Will the exempt entity directly pay the retailer of the meals or lodging with a check drawn on its own checking account or with a credit card issued in its own name (and not in the name of one of its members, employees, or officers)? <input type="checkbox"/> Yes <input type="checkbox"/> No

### Declaration by Exempt Entity

I declare that the exempt organization, qualifying governmental agency, nonprofit charitable hospital, nonprofit nursing home, nonprofit rest home, or nonprofit residential care home:

- Is being directly invoiced and charged by the retailer;
- Is directly paying the retailer with a check drawn on its own account or with a credit card issued in its own name; **and**
- Will not be reimbursed, directly or indirectly, by donation or otherwise, for all or a portion of the cost of the meals or lodging by those consuming the meals or lodging.

I also declare that any exemption permit noted on this certificate, any determination letter or group exemption letter (as the case may be), and license issued by the Department of Public Health, if applicable, attached to this certificate, has not been canceled or revoked. I declare under penalty of law that I have examined this document (including any accompanying schedules and statements) and, to the best of my knowledge and belief, it is true, complete, and correct. I understand the penalty for willfully delivering a false return or document to DRS is a fine of not more than \$5,000, or imprisonment for not more than five years, or both. The declaration of a paid preparer other than the taxpayer is based on all information of which the preparer has any knowledge.

Print name \_\_\_\_\_ Title \_\_\_\_\_

Signature of authorized person \_\_\_\_\_ Date \_\_\_\_\_ Telephone number \_\_\_\_\_

Email: \_\_\_\_\_

**Notice to retailers: Do not accept this certificate if DRS has not completed the following section and noted official approval.**

<b>Request approved by DRS</b>	<b>For DRS Use Only</b>
Official approval/DRS _____	Date approved _____
<b>Expiration of Blanket Certificate:</b> This certificate expires on _____	
<b>Request denied by DRS</b>	
<input type="checkbox"/> Exempt entity did not provide proof of exempt status. (Connecticut exemption permit number or I.R.C. § 501(c)(3), (4), or (13) determination letter, and license issued by the Department of Public Health, if applicable.)	
<input type="checkbox"/> Exempt entity will not be directly invoiced and charged by the retailer of the meals or lodging.	
<input type="checkbox"/> Exempt entity will not directly pay the retailer of the meals or lodging with a check drawn on its own checking account or with a credit card issued in its own name (and not in the name of one of its members, employees, or officers).	
<input type="checkbox"/> Exempt entity will be reimbursed, in full or in part, for its payment for the meals or lodging by those consuming the meals or lodging.	
Official denial/DRS _____	Date denied _____

# Information for CERT-123, Blanket Certificate for Exempt Qualifying Purchases of Meals or Lodging by Exempt Entities

## General Purpose:

### Who may use this exemption certificate?

Exempt organizations, qualifying governmental agencies, nonprofit charitable hospitals, nonprofit nursing homes, nonprofit rest homes, and nonprofit residential care homes, must use this certificate to establish that their purchases of meals or lodging are exempt from tax. (Any reference to **tax** in this document includes sales and use taxes and room occupancy tax, as applicable.) These organizations, governmental agencies, hospitals, and homes are referred to as **exempt entities** throughout this certificate.

**Qualifying governmental agency** means an agency of the United States, the State of Connecticut, or a Connecticut municipality. Qualifying governmental agency does not include an agency of another state or of a municipality of another state.

### What conditions must be met to use this certificate?

Use this certificate **only** if these four conditions are met:

1. The retailer directly invoices and charges the exempt entity for the meals or lodging; **and**
2. The exempt entity directly pays the retailer with a check drawn on its own account or with a credit card issued in its own name; **and**
3. The exempt entity is not reimbursed, in whole or in part, by donation or otherwise, for its payment for the meals or lodging by those consuming the meals or lodging; **and**
4. The purchase of the meals or lodging occurs before the expiration date specified on the approved blanket certificate.

### When may this certificate not be used?

This certificate may not be used (and tax must be paid) for the purchase of meals or lodging not meeting all four conditions above. Nonqualifying purchases include fundraisers where those who attend are charged or are required to make any payment and seminars or conferences where meals or lodging charges are included in the conference or seminar registration fee, except as described below.

An exempt entity may purchase meals tax exempt that it will resell at one of five fundraising or social events per year that is exempt from tax under Conn. Gen. Stat. § 12-412(94) without obtaining prior approval from the Department of Revenue Services (DRS). To claim exemption under this section, use **CERT-113, Purchases of Tangible Personal Property and Services by Certain Hospitals, Nonprofit Nursing Homes, Nonprofit Rest Homes, or Nonprofit Residential Care Homes**; **CERT-119, Purchases of Tangible Personal Property and Services by Qualifying Exempt Organizations**, or **CERT-134, Exempt Purchases by**

*Qualifying Governmental Agencies*. See **Special Notice 98(11), Exemption From Sales and Use Taxes of Sales by Nonprofit Organizations at Fundraising or Social Events**.

### Do any federal government purchases not require preapproval?

The federal government has implemented the "GSA SmartPay 2" program, which uses four categories of credit cards: Fleet, Purchase, Travel, and Integrated cards.

Federal employees may purchase meals and lodging tax exempt by using **certain** GSA SmartPay 2 cards when the purchases are billed to and paid by the federal government.

U.S. government agencies making tax-exempt purchases of meals and lodging using GSA SmartPay 2 cards are not required to get preapproval for these purchases from DRS and are not required to provide the retailer with CERT-123. See **Policy Statement 2009(2), Retailer's Acceptance of U.S. Government "GSA SmartPay 2" Charge Cards for Exempt Purchases**.

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## Instructions for the Purchaser:

### Who is required to complete CERT-123?

An officer of an exempt entity must complete and sign this certificate.

### When does CERT-123 have to be submitted?

CERT-123 must be submitted to DRS at least three weeks before an event to request the tax-exempt purchase of meals or lodging during a one year period.

### How must a purchaser pay for these meals or lodging to be exempt?

The exempt entity must be directly invoiced and charged by the retailer for the meals or lodging. The exempt entity must directly pay the retailer with a check drawn on the exempt entity's own account or with a credit card issued in the exempt entity's name (not in the name of one of its members, employees, or officers). Cash payments do not satisfy this condition regardless of the cost of the meals or lodging.

### Are there any additional rules that apply when using a credit card to purchase these meals or lodging?

If a credit card is used to pay the retailer of meals or lodging, the card must be issued in the name of the exempt entity. The credit card must be used exclusively to make purchases for the use of the exempt entity (not for the convenience of its officers, employees, or members). The credit card charges must be paid from the exempt entity's own checking account.

## What else needs to be included in the request?

If applicable, the following information must also be provided:

- **If the purchaser is an exempt organization**, it must attach either a copy of its I.R.C. § 501(c)(3) or (13) determination letter issued by the U.S. Treasury Department **or**, if it was issued an exemption permit by DRS, enter its exemption permit number on CERT-123.
- **If the purchaser is a nonprofit charitable hospital, nonprofit nursing home, nonprofit rest home, or nonprofit residential care home**, it must attach a copy of a valid and active license issued by the Department of Public Health under Chapter 368v of the Connecticut General Statutes and a copy of its I.R.C. § 501(c)(3) or (4) determination letter issued by the U.S. Treasury Department **or**, if it was issued an exemption permit by DRS, enter its exemption permit number on CERT-123.
- **If the purchaser is a qualifying governmental agency**, no attachment is required.

## Where does the purchaser send the completed CERT-123, and the applicable attachments, for DRS approval?

Submit this certificate for approval to:

Department of Revenue Services  
Exempt Organization Coordinator  
450 Columbus Blvd Ste 1  
Hartford CT 06103-1837  
DRS.Coordinator@ct.gov

Document submitted in a JPEG format and documents with a digital signature will not be processed.

## How will a purchaser know if its application has been approved by DRS?

If DRS concludes that the purchaser is making qualifying exempt purchases, CERT-123 with DRS official approval noted, will be returned to the exempt entity. Processing times for a CERT 123 approval is 30 days from the time the document is received.

## What does the purchaser do with the certificate after they're approved?

The exempt entity must provide a copy of the approved CERT-123 to the retailer of the meals or lodging.

## How long is a purchaser required to keep a copy of the certificate?

Keep a copy of this certificate, the documents attached, and records that substantiate the information on this certificate for at least six years from the date it is issued.

## How will a purchaser know if its application has been denied by DRS?

If DRS concludes that the purchaser is not making qualifying exempt purchases, CERT-123 with DRS official denial noted, will be returned to the exempt entity.

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## Events That Do Not Qualify for a Preapproved Exemption:

### Which events do not qualify for a preapproved exemption?

If the exempt entity will be paying (and will not be reimbursed, in whole or in part) for the meals or lodging of some of the attendees, but will be reimbursed in whole or in part for the meals or lodging of others, a preapproved exemption will **not** be issued.

### What should the exempt entity do if they do not qualify for a preapproved exemption?

The exempt entity must pay tax on **all** the meals or lodging at the time of the purchase. However, DRS will refund the tax on those meals or lodging that were paid for by the exempt entity for which it was not reimbursed in whole or in part. The exempt entity must file, and DRS must approve, **CERT-122, Refund of Tax Paid on Purchases of Meals or Lodging by Exempt Entities**.

### When is the exempt entity not eligible for a refund?

The exempt entity is not eligible for refund of the tax paid on meals or lodging for which it received full or partial reimbursement other than for meals sold under the five one-day fundraising or social events per calendar year exemption. See **Policy Statement 2006(3), Purchases of Meals or Lodging by Exempt Entities** for more information.

**Example 1:** B, an exempt organization, sponsors a dinner at a restaurant to honor one of its members. The restaurant charges B \$50 per meal and B sells tickets for \$50 per person. B pays on behalf of the honoree and members of the immediate family for them to attend as guests of the organization. B must pay sales tax on all meals purchased. It may, however, complete and file CERT-122 to claim a refund of the taxes paid only on meals consumed by the honoree and members of the immediate family.

**Example 2:** C, an exempt organization, sponsors a retirement dinner at a restaurant to honor one of its employees. The restaurant charges C \$60 per meal. C sells tickets for \$50 per person and pays the \$10 difference to the restaurant from its own funds. C must pay sales tax on the full price of all meals purchased. Because the organization received partial reimbursement for all of the meals, C is not eligible for a refund of any of the tax paid.

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## Instructions for the Retailer of Meals or Lodging:

### When should a retailer accept CERT-123?

A retailer should accept this certificate only if it directly invoices and charges the exempt entity for the meals or lodging and is directly paid by the exempt entity with a check drawn on the exempt entity's own checking account or with a credit card issued in the exempt entity's name (not in the name of one of its members, employees or officers). Cash payments will not satisfy this condition, regardless of the

cost of the meals or lodging.

Acceptance of this certificate, when properly completed and with DRS official approval noted, relieves the retailer from the burden of proving the sale of meals or lodging is not subject to sales and use taxes. This certificate is valid only if taken in good faith from an exempt entity.

**How long is a retailer required to keep a copy of the certificate?**

Keep this certificate, the documents attached, and bills or invoices to the exempt entity for at least six years from the date that the meals or lodging were purchased. The bills, invoices, or records covering the purchase made under this certificate must be marked "Exempt Under CERT-123" to indicate an exempt purchase has occurred. This certificate only applies to the specific event indicated and may not be used for the exempt purchase of any meals or lodging at any other event.

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**Statutory Authority:** Conn. Gen. Stat. § 12-412(1)(A), (5), (8), and (94); Conn. Gen. Stat. § 12-425.

**For Further Information:** Call DRS during business hours, Monday through Friday:

- **1-800-382-9463** (Connecticut calls outside the Greater Hartford calling area only); **or**
- **860-297-5962** (from anywhere).

**TTY, TDD, and Text Telephone users only** may transmit inquiries anytime by calling 860-297-4911.

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**Forms and Publications:** Visit the DRS website at [portal.ct.gov/DRS](http://portal.ct.gov/DRS) to download and print Connecticut tax forms and publications.