



IRA A. JACKSON  
COMMISSIONER

*The Commonwealth of Massachusetts*  
*Department of Revenue*  
*Leverett Saltonstall Building*  
*100 Cambridge Street, Boston 02204*

February 27, 1985

You request a ruling regarding the Massachusetts sales taxation of sales to corporations exempt from income taxation under Section 501(c)(3) of the Internal Revenue Code.

Massachusetts General Laws Chapter 64H, Section 2 imposes a five percent tax on sales at retail of tangible personal property in Massachusetts by a vendor. Chapter 64I, Section 2 imposes a complementary use tax on the storage, use or other consumption in Massachusetts of tangible personal property purchased for storage use or other consumption in Massachusetts.

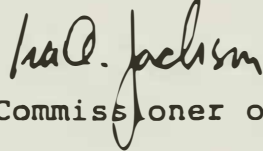
Chapter 64H, Section 6(e) exempts from the sales tax:

[s]ales to any corporation, foundation, organization or institution, which is exempt from taxation under the provisions of section five hundred and one (c)(3) of the Federal Internal Revenue Code, as amended, and in effect for the applicable period; provided, however, that such sales shall not be exempt unless (1) the tangible personal property which is the subject of such sales is used in the conduct of such religious, charitable, educational or scientific enterprise, (2) such corporation, foundation, organization or institution shall have first obtained a certification from the commissioner, stating that it is entitled to such exemption, and (3) the vendor keeps a record of the sales price of each such separate sale, the name of the purchaser, the date of each such separate sale, and the number of such certificate.

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Therefore, sales of tangible personal property to any corporation exempt from federal income tax under Section 501(c)(3) of the Code are not subject to the sales and use taxes, if the tangible personal property which is the subject of such sales is used in the conduct of the corporation's activities, the corporation has obtained a certification from the Commissioner, and the vendor keeps complete records of such sales.

Very truly yours,



Commissioner of Revenue

IAJ:SFR:loc

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