

2022 Renewal of Maryland Sales and Use Tax Exemption Certificates

Guidance to Local BWC Churches

June 2022

Maryland Churches received Renewal Notices in the mail in early June to renew their Non-Profit Sales and Use Tax Exemption Certificates. Incorporated churches will register on-line and churches that are not incorporated will need to request a paper application. Please see the details below for each scenario:

Instructions for Incorporated Churches

Applications for renewals are filled out at the following website and they must be submitted by August 1, 2022. Certificate renewals are performed every 5 years in Maryland.

<https://interactive.marylandtaxes.com/bServices/EOR/Home.aspx>

Below are the directions on how churches can complete Page 2 of the online sales tax exemption renewal for Maryland. Please read this carefully to avoid confusion.

The screenshot shows the 'Exempt Org Renewal' page. The form is divided into several sections:

- Organization Physical Address:** Includes fields for 'Is Physical Address On File Correct?' (radio buttons for Yes/No), 'Line 1' (11711 E MARKET PL), 'Line 2', 'City' (FULTON), 'State' (Maryland), and 'Zip' (20759-2595).
- Organization Maryland DAT Information:** Includes a field for 'Maryland DAT Dept. ID' (masked with asterisks) and a message: 'Matching Business Found : [THE BALTIMORE-WASHINGTON CONFERENCE OF THE UNITED METHODIST CHURCH INC.] Please confirm this is correct.'
- Organization Non-Profit Categorization:** Includes fields for 'Is Organization Religious?' (radio buttons for Yes/No), 'Non-Profit Classification' (drop-down menu with 501(c)(3) selected), and 'Does the Organization Derive Its Non-Profit Status From A Parent Organization?' (radio buttons for Yes/No).

Four red callout boxes with arrows point to the following elements:

- 1) Click the (?) and find your SDAT Dept. ID (pointing to the help icon for the DAT Dept. ID field).
- 2) Select "Yes" (pointing to the 'Yes' radio button for 'Is Organization Religious?').
- 3) Select "501(c)(3)" from drop down list (pointing to the '501(c)(3)' option in the 'Non-Profit Classification' dropdown).
- 4) Select "No". See explanation below. (pointing to the 'No' radio button for 'Does the Organization Derive Its Non-Profit Status From A Parent Organization?').

At the bottom of the form are 'Back' and 'Next' buttons. A footer note states: 'The Comptroller's Web Services Center is available 24 hours a day, 7 days a week from any home office, or public access point. However, data may not be accessible during times of system maintenance.'

Explanation: According to 26 U.S.C. 508(c)(1)(a), churches do not have to obtain recognition of 501(c)(3) status by applying directly to the IRS. In other words, churches have 501(c)(3) status automatically and so it is accurate to select "No" for the last radio button. Because churches automatically have 501(c)(3) status, they also do not have to apply for inclusion in the group exemption. Often donors and grantors want (1) evidence that an organization claiming to be a church is in fact a church and (2) documentation of tax exempt status for their records. The group ruling provides this verification for donors and grantors, which is why the letter is often helpful despite not being needed to obtain 501(c)(3) status.

Instructions for Churches that are NOT Incorporated

The 2022 FAQ's for the Maryland Sales and Use Tax Exemption Certificate Renewal Process instructs churches that are NOT incorporated to submit a paper application and mail it to the Comptroller's office.

Source: <https://marylandtaxes.gov/business/docs/SUTEC-Renewal-FAQs.pdf>

Question #8: My organization is not incorporated and is not required to be registered with SDAT. How do I renew my organization's exemption certificate?

Answer: You must request a paper application (Form 202EC) be mailed to you by contacting the Taxpayer Services Division by email at taxhelp@marylandtaxes.gov, or by phone 410-260-7980, or 1-800-MD-TAXES. Once you receive the paper application, you must submit the paper application and a copy of your organization's organizing documents by mail to:

**Comptroller of Maryland
Revenue Administration Division
PO Box 2998 – SUTEC Renewal
Annapolis, MD 21404-2998**

Unincorporated UM churches should provide a copy of paragraphs 243-258 from the Book of Discipline to satisfy the requirement to submit organizing documents. Download a copy [here](#).

Similar to the on-line applications, the paper applications must be submitted by August 1, 2022.

Please contact the Conference Finance Office at 410-309-3400 should you have problems with this application.