

Lions Clubs and Ohio Sales Tax

The State of Ohio has many laws concerning sales tax and various non-profit organizations. All 501 c 4 organizations, such as Lions Clubs must:

1. Pay sales tax on taxable items purchased for their own use.
2. Collect and submit sales tax from the public when selling taxable items as a fund raising project.

To be compliant with the laws of Ohio, all 501 c 4 - Lions Clubs, involved with fund raising projects that sells **tangible taxable items** such as roses, light bulbs, brooms, soft drinks, etc, must do the following:

- **Obtain a vendor’s license.** A regular vendor’s license is obtained from the local county auditor’s office or from the Ohio Department of Taxation website. Go to www.Tax.Ohio.gov and look under the “Business” tab. There is a one-time \$25 application fee. Annual renewals are no longer required.
- **Collect sales tax.** Vendors must charge and collect the sales tax rate in effect in the county where the sale is made.
- **Keep proper records.** Vendors are required to keep complete records of sales and tax charges. All records must be maintained for 4 years and are open to inspection by agents of the Tax Commissioner.
- **File returns and submit tax.** Vendors will be notified of their filing schedule (monthly or semiannually) based upon their anticipated tax liability. You must file your return over the internet through the **Ohio Business Gateway**. Returns must be filed even when no tax is due. Payments can be made using a credit card or an electronic debit from a bank account. Always obtain a confirmation number and keep a copy of the return with your club files. Penalties for not paying the collected tax, or for not filing a return are at the discretion of the Tax Commissioner.

Food is sometimes a bit tricky to consider. Food that is consumed off the premises where sold is exempt (non-taxable). In addition, the state definition of food was revised in 2007. Carbonation is no longer a consideration. Added sweetener is now the standard. Below is a summary chart. For more information, call Taxpayer Services at 1-888-405-4039.

Food (non-taxable if consumed off premises)	Non-Food (always taxable)
Bottled Water	Sweetened (Flavored) Water
Coffee and Tea (unsweetened)	Coffee and Tea (sweetened)
Fruit Juices (more than 50% juice)	Fruit Juices (less than 50% juice)
Milk and Ice Cream	Sports/Energy Drinks (example-Gatorade)
Popsicles and Snow-Cones	Lemonade
Candy, Chewing Gum, Breath Mints	Soda Pop