

Compliance with the Ohio Dept of Taxation

Making taxable sales without a vendor's license is a criminal offense in Ohio. To be compliant 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 transient 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**. Tips for using the Gateway can be found on page 11. 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.

Important Notes:

- **Food** consumed off the premises where sold is not taxable.
- **Sweetened** beverages (soda pop, energy drinks, flavored water, lemonade) are considered non-food and thus are taxable.
- **Promoters** or organizers of trade shows, flea markets, exhibitions or similar events where transient vendors make sales are required to maintain vendor records (license number, vendor name, address, types of goods sold) for four years.
- **Items offered for free**, even if the organization will accept a contribution, are not subject to sales tax.
- **Casual Sales** occurs when a person sells an item that they previously purchased for their personal use. An example would be items sold at a garage sale. With certain exceptions (like motor vehicles) casual sales are not subject to sales tax.
- **Six-Day-Rule.** Lions Clubs Foundations that have been granted 501 c 3 status are not required to have a vendor's license or collect tax on sales made less than 6 days a year.