



SPECIAL NOTICE

CALIFORNIA DEPARTMENT
OF TAX AND FEE
ADMINISTRATION
450 N Street
Sacramento, CA 95814

GAVIN NEWSOM
Governor

AMY TONG
Secretary
Government Operations Agency

NICOLAS MADUROS
Director

CDTFA WEBSITE
www.cdtfa.ca.gov

CUSTOMER SERVICE CENTER
1-800-400-7115

CRS:
711

Sales of New Merchandise by Qualifying Charitable Organizations Are Taxable

This notice clarifies that sales and use tax (tax) generally applies to a charitable organization's sales of new tangible personal property (merchandise) purchased from other retailers. This includes, for example, sales of new merchandise purchased for resale and sold by a charitable organization at its thrift stores.

As provided in [Regulation 1570 \(a\)](#), sales of merchandise by a qualifying charitable organization¹ may be exempt from tax when the property sold is made, prepared, assembled, or manufactured by the charitable organization.²

Additional Assistance

For additional information, please see the *Tax Guide for Non-Profit Organizations* at www.cdtfa.ca.gov/industry/nonprofit-organizations.htm or call our Customer Service Center at 1-800-400-7115 (CRS:711) for general information and guidance on how tax applies. Customer service representatives are available Monday through Friday from 7:30 a.m. to 5:00 p.m. (Pacific time), except state holidays.

¹ Regulation 1570 (a) defines a "charitable organization."

² Sales by a charitable organization are exempt from tax when all of the conditions provided in Regulation 1570, *Charitable Organizations*, subdivision (a), are met. For more information, please see Regulation 1570 at www.cdtfa.ca.gov/lawguides/vol1/sutr/1570.html.