

# Sales Tax Return for Special Events

Issued under authority of P.A. 167 of 1933 and 122 of 1941 as amended. Filing is mandatory.

All retail sales of food, drink, auction items and other items made by an organization during a fundraising event are subject to Michigan sales tax. The Michigan Sales Tax Act (MCL 205.52(1)) provides that anyone making retail sales is subject to 6 percent sales tax on gross proceeds. The act specifically includes non-profit organizations in this definition.

Groups currently holding a sales tax license must remit the tax on their current sales tax return. Write the sales tax license number in the space provided on Part 1 of this form and return it to the Discovery and Tax Enforcement Division. If the group does not have a sales tax license, use this form to report and pay the sales tax due from an event.

**You must submit this return. If no sales tax is due, complete Part 1 and include an explanation.**

This return and payment is due three business days after the fundraising event. Make all checks payable to "State of Michigan."

Mail the return and payment to:

Michigan Department of Treasury  
Discovery & Tax Enforcement Division  
PO Box 30140  
Lansing MI 48909

Direct questions to the Discovery & Tax Enforcement Division, 517-636-4120.

<b>PART 1: ORGANIZATION INFORMATION</b>			
Organization Name		Telephone Number	Non-Profit, IRS Organization Code
Street Address		City	State
ZIP Code	Temporary Liquor License Number	Federal Employer ID Number (If applicable)	Sales Tax License Number (If applicable)
Event Description		Event Location (City)	Event Date
<b>PART 2: SALES TAX CALCULATION</b>			
1. Gross Sales. Enter your total gross sales from this event.....		1.	
2. Enter your total sales of exempt items (prepackaged foods, cans of soda, bottled water, etc.) .....		2.	
3. Subtract line 2 from line 1 .....		3.	
4. If tax is included in gross sales from line 1, divide line 3 by 17.6667.....		4.	
5. Taxable Sales. Subtract line 4 from line 3.....		5.	
6. <b>Sales Tax Due.</b> Multiply line 5 by 6% (0.06) Pay this amount .....		6.	
<b>PART 3: CERTIFICATION</b>			
Authorized Signature		Date	
Authorized Signer's Name		Title	

See the Sales Tax General Guidelines for Special Events on Page 2 of this form.

## SALES TAX GENERAL GUIDELINES FOR SPECIAL EVENTS MAJOR CATEGORIES

PREPARED FOOD	ALCOHOLIC BEVERAGES	CONCESSIONS
<p>Purchased from caterer, or other preparer, and sales tax is paid on the purchase. There is no further tax obligation on the food. *</p> <p>Purchased from caterer or other preparer under a resale exemption. Your organization must pay the sales tax based on the fair market value (FMV) of the food sold. Usually, the FMV is the price of admission or a donation to attend the event or the cost to purchase and prepare the food. **</p> <p>Prepared by members of your organization. You must pay the sales tax on the FMV of the food sold.</p>	<p>Purchased from supplier and sales tax is paid on the purchase. There are no separate or additional charges to customers/members on the alcoholic beverages at the event such as an "open bar."</p> <p>If there is a "cash bar" or any separate charge for alcoholic beverages, sales tax is due on the total gross proceeds of the beverage sales. If sales tax was paid to the supplier, you may request a refund from that vendor. A credit can not be taken on your Sales Tax Return for the amount of tax that was paid to the supplier.</p> <p>If the sales tax was not paid when purchased and there is no separate charge at the event, sales tax will be due on the fair market value of the alcoholic beverages.</p>	<p>Food sold at concessions at special events and entertainment facilities (including but not limited to theaters, fairs, recreation centers, athletic events, parks and zoos) that is "prepared food" is taxable. This would include, for example, popcorn or nuts sold hot, sandwiches made by the seller (not sold by weight or volume as single items), soda pop in a cup, and a dish of ice cream with a spoon provided by the seller, a slice of a pizza sold hot, and a hot dog heated by the seller.</p> <p>Food sold at such concessions that is not "prepared food" is not taxable. This would include, for example, fresh fruit, prepackaged items (e.g., candy bars, chips, nuts, cans or bottles of soda pop) not heated by the seller and sold without eating utensils provided by the seller, and cookies, doughnuts and muffins sold without eating utensils. ***</p>

\* Your organization will need to furnish the caterer/other preparer with a sales tax number to qualify for this exemption. To obtain registration forms for a sales tax license or other information, call 517-636-4660. Generally, you will only need a sales tax license if you want to claim a "resale exemption" from your supplier or if you have more than two fundraising events in one calendar year.

\*\* If the admission price or donation exceeds the fair market value (FMV) of the food or drink, FMV may be determined by any reasonable method.

\*\*\* Eating Utensils, as defined, would include knives, forks, spoons, glasses, cups, napkins, straws, or plates. It would not include a container or packaging used to transport food. If eating utensils are "provided by the seller," the item is deemed taxable. AC, Rule 86(5)(a): For a seller with a prepared food sales percentage greater than 75 percent, eating utensils are "provided by the seller" when the utensils are made available to purchasers. Hence, the utensils would not necessarily have to be handed to the customer, by the seller. If the eating utensils are available on the premises for customers, they are considered "provided by the seller."

More information can be found at [www.michigan.gov/taxes](http://www.michigan.gov/taxes).

### Special Rules for Nonprofit Organizations

P.A. 156 of 1994 (effective January 1, 1994) exempts from sales tax sales at retail made by certain organizations if aggregate sales at retail are less than \$5,000. If total sales are more than \$5,000 in a calendar year, sales tax is due on all sales, including the first \$5,000.

**CAUTION:** Any sales tax collected by a nonprofit organization must be remitted to the State of Michigan even if aggregate retail sales for the calendar are less than \$5,000.