



Georgia Department of Revenue
Policy Bulletin SUT-2017-02
Sales and Use Tax Exemption for Qualified Food Banks
Revised August 11, 2020

Purpose: This Policy Bulletin provides guidance on the sales and use tax exemption for qualified food banks.

Publication Date: March 14, 2018

Authority: O.C.G.A. § 48-8-3(57.1).

Scope: A Policy Bulletin is intended to provide guidance to the public and to Department personnel. It is a written statement issued to apply principles of law to a specific set of facts or a general category of taxpayers, superseding all conflicting documents and oral directives previously issued by the Department. A Policy Bulletin does not have the force or effect of law and is not binding on the public. It is, however, the Department's position and is binding on agency personnel until superseded or modified by a change in statute, regulation, court decision, or subsequent Policy Bulletin.

****2020 Update****

- *Senate Bill 104, passed by the General Assembly and signed by the Governor on August 5, 2020, extends the sales and use tax exemption for qualified food banks indefinitely.*
- *The procedure for applying for sales tax exemption letters of authorization (LOAs) remains the same. LOAs will expire on June 30 each year. Taxpayers must apply for a new LOA annually.*
- *Click [here](#) for instructions on how to apply for an LOA for a qualified food bank.*

The Exemption

Beginning July 1, 2014, sales of food and food ingredients to a qualified food bank are exempt from sales and use tax pursuant to O.C.G.A. § 48-8-3(57.1).

A food bank qualifies for the exemption if the food bank:

- is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code; and
- operates primarily for the purpose of providing hunger relief to low income persons residing in Georgia.

Letters of Authorization

A qualified food bank is not required to have a sales tax number to make exempt purchases, but a sales tax number is required for food banks making retail sales. To make tax exempt purchases, a qualified food bank must present a valid LOA to the seller. The seller must retain a copy of the LOA for audit purposes. Sellers are permitted to deliver food and food ingredients purchased with an LOA to any location operated by the food bank. To receive a refund of tax paid on food or food ingredients, a qualified food bank must hold an LOA that is valid for the period in which the purchase was made.

To obtain an LOA from the Department, food banks must apply online through the Georgia Tax Center (GTC). A qualified applicant must provide all the requested information and upload an electronic copy of the applicant's IRS exemption determination letter to successfully complete the application.

The GTC application requires the following information for the calendar year prior to the period for which the applicant is applying: the total number of clients served, the total pounds of food donated by donors generally in the business of selling food, and the total dollar amount of exempt purchases made by the food bank. Therefore, an applicant applying for an LOA valid from July 1, 2019 through June 30, 2020, for example, must report information for the 2018 calendar year. No reporting is required for years prior to 2015.

Within 2 to 3 business days of application, the Department will mail the LOA to the applicant and make the LOA available for printing on the applicant's GTC account. Food banks must apply for an LOA annually.

Only one LOA will be issued for each qualified food bank, regardless of the number of locations operated by the food bank. The LOA is not transferrable; thus, no entity other than the organization in whose name the LOA is issued is permitted to use the LOA to make exempt purchases. An LOA does not relieve food banks of the responsibility to remit sales tax on retail sales.

How to apply

Instructions on how to apply for a sales tax exemption LOA for a qualified food bank are at <https://dor.georgia.gov/how-apply-sales-tax-exemption-letter-authorization-qualified-food-bank>.

**For more information, please contact the Department at 1-877-423-6711
from 8:00 a.m. to 6:30 p.m. EST, Monday through Friday, excluding holidays.
For forms and other information, visit the Department's website at dor.georgia.gov.**