



**Georgia Department of Revenue
Policy Bulletin SUT-2017-02
Sales and Use Tax Exemption for
Qualified Food Banks, Revised March 1, 2019**

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 It is, however, the Department's position and is binding on agency personnel until superseded or modified by a change in statute, regulation, court decision, or subsequent Policy Bulletin.

****2019 Update Regarding Effective Dates for Letters of Authorization****

2019 letters of authorization (LOAs) issued to qualified food banks will be valid from April 1, 2019 through June 30, 2020.

From July 1, 2014 through June 30, 2021, 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.

A qualified food bank must present a valid LOA to the seller in order to make tax exempt purchases. For 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). To successfully complete the application, a qualified applicant must provide all the requested information and upload an electronic copy of the applicant's IRS exemption determination letter.

The GTC application will require 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 April 1, 2017 through March 31, 2018, for example, must report information for the 2016 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.

The applicant must provide a copy of a valid LOA to each dealer from whom exempt purchases are made, and the dealer must retain the copy for audit purposes. Dealers are permitted to deliver property purchased with an LOA to any location operated by the food bank.

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. The LOA does not relieve the food bank of the responsibility to remit sales tax on retail sales.

How to apply

- Log into GTC (<https://gtc.dor.ga.gov/>).
- Under "I Want To," select "Request sales tax exemptions."
- Select "Qualified Food Banks" and follow the prompts.
- If you intend to submit a claim for a refund of taxes paid in a year for which the food bank did not have an LOA, select "yes" to the question "Are you applying for a previous year?" on the "Sales Tax Exemption" screen.
- On the "Application data" screen, please enter data and submit attachments as requested. Select "no" to the question "Do you have data to report for the calendar year 20__?" if the food bank is a new organization with no data to report for the previous year.

For more information, please contact the Department at 1-877-423-6711 from 8:00 a.m. to 4:30 p.m. EST, Monday through Friday, excluding holidays. For forms and other information, visit the Department's website at dor.georgia.gov.