**Opinion Letter**

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| **Letter Number:** | **O-2000-036** |

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| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **Fund raising activities by State employees for worthy causes.** |
| **Keywords:** |  |
| **Approval Date:** | **11/28/2000** |

**Body:**

Office of Policy & Research

November 28, 2000

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XXXX

RE: Your e-mail inquiry

Dear XXXX:

I have been asked to answer the questions raised in your e-mail that we received earlier this month. You ask if employees of a state agency are required to collect sales tax on used books that they will resell to raise funds for Good Cause. You indicated that the employees will be acting informally to raise the funds. The funds in question are not collected or accounted for by the agency. You also indicate that agency employees engages in different kinds of fundraising activities from year to year.

Based on this information, your book sale this year would qualify as an isolated or occasional sale. This means that your *ad hoc* group of employees who raise funds for Good Cause are not required to collect sales tax on the sale of used books.

You also ask whether you can provide a receipt to book donors to use to claim a deduction for income tax purposes. This question is answered by federal law. My research indicates that you should not provide donors with such a receipt. For a donation to be deductible under the internal revenue code, the donation must be made to an qualified organization. In your case, the donations are made to your *ad hoc* group of employees to sell books to raise proceeds to benefit Good Cause. These donations made to your employees is not a donation to Good Cause. While direct donations to Good Cause *may* qualify for exemption, it does not appear that someone can claim an income tax deduction by donating property to one group even though it may ultimately benefit another organization. I have enclosed a copy of Topic 506 from the IRS website which discusses such contributions in more detail.

I hope that this adequately answers your question. If not, please call me at 296-3081.

Sincerely,

Thomas E. Hatten
Attorney/Policy & Research

Enclosure

**Date Composed: 11/29/2000 Date Modified: 10/10/2001**