What you need to know:

Sales tax needs to be charged on all merchandise sold in PA except for clothing. Clothing taxation varies from state to state, so be sure to check in with your Community Director to see if the state in which you’re selling your clothing is liable for Sales Tax.

Sales tax is determined based on what state the transaction is happening in.

In the case of online sales, sales tax state depends on where the purchaser is located, and is usually determined by shipping address.

Most online platforms (Squarespace, Wix, Woocommerce, Shopify, etc) will have a tool that can pre-determine the sales tax that should be appended to whatever the price that you’re selling the thing at:

Remember: If you are not charging sales tax... you project still has to pay it! The difference will be taken straight out of your project’s revenue as an additional cost. So why not offload that cost onto the purchaser like everyone else in the world. Besides, it’s tax levied upon the purchaser, not the seller. Why should you pay that?

“But we’re a nonprofit, how come we have to pay taxes?”
You’re not paying income tax. There are multiple kinds of taxes; sales tax (on the purchaser’s side, when you’re selling something) is something no nonprofit is exempt from.

More information about this can be found at this link:
https://www.thebalancesmb.com/sales-tax-considerations-for-non-profit-organizations-3958643

What we need to know from you:

If you have questions during the sales tax setup process, please let us know and we’ll help!

What are you selling?

Where (as in, in what state if in-person, or what via what site/platform if online) and on what platform are you selling it?
You can tell all this information to your Community Director and they can guide you through the process.

**What we’re doing behind the scenes, to ensure that we’re complying with federal, state, and local taxation regulations:**

Withholding the sales tax that your project collects into what’s called a “liability account,” a category that ensures that those funds will reach their final destination with whatever government tax authority to which they are owed.

Filing the appropriate taxes and making the tax payments every quarter/fiscal period

Registering with the tax organizations based on what states in which your project is doing business.