

INSTRUCTIONS - STATE SALES TAX EXEMPT NUMBERS

Northeast District-Southern Region encompasses four states, New York, New Jersey, Connecticut and Vermont. In each of these States, Northeast District-Southern has been approved as a governmental entity not subject to the payment of State and local sales and use taxes on merchandise and services purchased by the Auxiliary for official Auxiliary purposes. This exemption from the payment of State and local sales and use taxes applies to purchases made by the District, Division or Flotilla for official Auxiliary use with Auxiliary unit funds. The exemption does not apply to purchases made by an Auxiliarist through the use of that individual's own funds or credit card even though the Auxiliarist later receives reimbursement from the Auxiliary unit for whom the purchase was made and received the goods or services. Sales and use taxes, depending on the State can range up to more than eight percent and could amount to a small sum.

Example: A Flotilla owns a boat which requires a new engine. The Flotilla must use a Flotilla check, a purchase order, the required state tax form and provide the tax exemption number (in New York, a copy of the Letter). On the contrary, if this boat is owned by an Auxiliarist and used in Auxiliary activities, the Auxiliarist would have to pay the sales tax assessed on the purchase of a new motor since the facility is not owned by the Auxiliary or a unit of the Auxiliary.

Example: a Flotilla purchases supplies using its funds for a Flotilla activity. The Flotilla must issue a Flotilla check, a purchase order, the required state tax form and provide the exemption number (in New York, a copy of the Letter.) On the other hand, if these supplies are purchased by a member of the Auxiliary using the member's funds, then the sales tax has to be paid and the member reimbursed by the Flotilla. So, if you are anticipating a purchase, it is wise to plan ahead in order to have the documents in hand when you go to the store.

Example: a Flotilla is going to have a change of watch at a restaurant and there is a meal tax and room tax to be paid. The members reimburse the Flotilla for their share of the meal (no free lunch) and tax but the Flotilla picks up the portion of the restaurant charge for meals provided to the invited guests. The Flotilla should use a Flotilla check, a purchase order, the required state tax form and provide the exemption number (in New York a copy of the Letter) and request not to be charged the sales tax for that portion of the restaurant's bill which covers the non-reimbursed room charge and the meals for guests which comes out of Flotilla funds. These guests are present for the good and welfare of the Flotilla unit and not any particular member and their presence would inure to the benefit of the Auxiliary.

Inappropriate use of a State sales tax exemption certificate, form or authorization number by an Auxiliarist could result in disciplinary proceedings. The benefit of the Auxiliary having received an exemption from the payment of a State's sales tax in respect to the procurement of taxable goods or services for the sole benefit and use of the Auxiliary unit is intended to relieve the Auxiliary unit from the use of its resources for a purpose for which the State's tax law is intended

to provide a benefit. Misuse of this privilege by any member of the Auxiliary could subject the Auxiliary to the imposition of penalties by a State taxing authority and the loss of the tax exemption and thus constitute misuse of Auxiliary funds or property.

NEW YORK

New York has provided the Auxiliary with a letter (“the Letter”) dated May 12, 2011 from the New York State Department of Taxation and Finance, Sales Tax Exempt Organizations Unit. **A photographic copy of the Letter together with a purchase order provided with these instructions showing the Auxiliary logo is the only documentation required to assure the vendor that the Auxiliary unit is exempt from payment of sales and use tax to New York State.** UNLIKE NEW JESERY, CONNECTICUT AND VERMONT, NEW YORK DOES NOT HAVE A SPECIFIC FORM FOR PURCHASES MADE BY UNITED STATES GOVERNMENTAL UNITS OTHER THAN USE OF A PURCHASE ORDER.

Attached as Schedule A is a copy of the State of New York letter which you can print off and use.

NEW JERSEY

New Jersey has provided the Auxiliary with a tax exempt number and certificate dated August 8, 2011 (the original number was issued on July 1, 1966) which is shown on Form ST-5 entitled “Exempt Organization Certificate, Form ST-5”. This form requires the user to (1) complete the transaction date; (2) insert the name of the vendor; (3) set forth the description of the purchase and (4) have affixed the signature of the officer of the exempt organization have the name printed. The completed certificate is then presented to the vendor together with the purchase order. The Auxiliary unit should retain a copy of the ST-5 in its records. The Northeast District-Southern Region purchase order form can be used with the New Jersey ST-5.

The New Jersey tax number is NJ3-003-750/000

CONNECTICUT

Connecticut has provided the Auxiliary with a tax exempt number and certificate dated May 26, 2011 which reaffirms the prior permit issued to the Auxiliary. Purchases made in Connecticut must use CERT-134 which is provided with these instructions. This form is to be used in connection with a purchase order which is provided with these instructions. The use of CERT-134 requires the user to (1) fill in and check the box “United States” with the legend “Coast Guard Auxiliary”; (2) as agent of a qualifying governmental agency fill in the name of the unit officer making the purchase; (3) under “Name of qualifying governmental agency” fill in the name of the Flotilla, Division or District for whom the purchase is being made; (4) under “Appointed agent for making the following types of purchases” fill in a brief description of the purchase; (5) under “Address of purchaser” fill in the business address of the Auxiliary unit for whom the purchase is being made; (6) under the area of “Seller” fill in the name and address of the

seller or the seller can do this for you together with the seller's vendor number; (7) check the box "Certificate for one purchase only"; (8) check either the box "tangible personal property or taxable services; (9) complete the "Declaration by Purchaser".

Attached as Schedule B is a copy of the Connecticut number issued to our Region which you can use.

VERMONT

Vermont has provided the Auxiliary with a tax exempt number and certificate dated August 17, 2011. Purchases made in Vermont must use form S-3 which is provided with these instructions. The form is to be used in connection with a purchase order which is provided with these instructions. The use of S-3 requires the user to (1) check the single purchase box in most cases; (2) in the section called "buyer" fill in the name of the Auxiliary unit, the CG federal tax number found in the Auxiliary Manual 1F, Chapter 5, Section N,2 on page 5-43, the Auxiliary units business address and the units business identification – US Coast Guard Auxiliary – civilian component United States Coast Guard"; (3) in the section called "seller" the name and address of the seller; (4) complete the line calling for a brief description of the goods purchased; (5) check the box "Direct payment by Federal or Vermont governmental unit; (6) the flotilla elected or staff officer making the purchase and file with the seller who is responsible for keeping the form.

Attached as Schedule C is a copy of the Vermont number issued to our Region which you can use.

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