

§1000 SALES TAX EXEMPTION

The Diocese of Springfield in Illinois is organized and operated exclusively for religious purposes, and therefore, the Diocese and certain approved agencies under the Diocese's jurisdiction are exempted by the State from paying Illinois sales taxes when purchasing tangible personal property for organizational use.

1001.1. Policy To claim a sales tax exemption, the parish, school or agency must provide a State issued tax exemption identification number and/or certificate to its suppliers when purchasing tangible personal property for organizational use.

Procedures

- 1) Each parish, school, and agency are expected to know and follow Illinois law concerning the eligibility for, application for, and appropriate use of sales tax exemptions.
- 2) Questions concerning sales tax can be directed to the Office for Finances and/or the Office of the General Counsel.

Note Regarding Public Utilities Tax

The tax-exemption letter issued by the Illinois Department of Revenue may not be used to claim exemption from public utilities tax, whether state or local.

1001.2. Policy The Diocesan tax-exempt identification number(s) or certificate(s) shall not be used by anyone in order to purchase tangible personal property for personal use.

"The seventh commandment forbids unjustly taking or keeping the goods of one's neighbor and wronging him in any way with respect to his goods. It commands justice and charity in the care of earthly goods and the fruits of men's labor." Catechism of the Catholic Church §2401.

The eighth commandment forbids misrepresenting the truth in our relations with others. This moral prescription flows from the vocation of the holy people to bear witness to their God who is the truth and wills the truth. Offenses against the truth express by word or deed a refusal to commit oneself to moral uprightness: they are fundamental infidelities to God and, in this sense, they undermine the foundations of the covenant." Catechism of the Catholic Church §2464.

Procedures:

- 1) Use of the number(s) or certificate(s) for personal or improper purposes exposes both the individual and the Diocese to serious legal ramifications. An individual who misuses the tax-exempt identification

number is subject to criminal prosecution and may be required to pay fines and penalties for the misuse of the number. The tax-exempt status of the Diocese may also be jeopardized by an individual's misuse of the number if a Diocesan agency is found to have knowingly allowed the misuse of the tax-exempt identification number.

- 2) Pastors, agency administrators, and office directors must therefore exercise caution to ensure that the tax-exempt identification number is used only for appropriate charitable, religious or educational purposes.
- 3) Employees who misuse tax-exempt identification number(s) or certificate(s) will be subject to discipline, up to and including termination.