



1. If we have t-shirts, mugs or other items made can we sell them?

Yes. Items made or produced by 4-H can be sold as they are exempt from sales tax. For example, if a 4-H group purchases t-shirts and has the 4-H name or other graphic printed on the t-shirts the t-shirts are considered to be made by 4-H. As such, the sales of the t-shirts to the public or to 4-H members and adult volunteers are exempt from sales tax when those sales are made on an irregular or intermittent basis and the profits from those sales are used exclusively in furtherance of the purposes of the 4-H YDP.

2. What is defined as irregular or intermittent basis?

“Irregular or Intermittent” means associated directly with a particular event, such as fairs, galas, parades, games, and similar activities. The term includes refreshment stands or booths that are utilized at scheduled events of organized leagues. It does not include sales that are made in storefront or mobile retail outlets that normally require local business licenses.

3. Can we sell food products, nonalcoholic beverages or other tangible personal property (e.g., wrapping paper, coupon books) that involve fundraiser companies?

Yes. In most situations the 4-H works with a supplier but is buying and selling items for its own account. This means all of the following are met: 1) orders are solicited from the public in the name of 4-H; 2) payments are collected from the customer in the name of 4-H; 3) 4-H is responsible for and pays the supplier for the merchandise; and 4) the contract clearly indicates that the 4-H will purchase and resell the products to its customers. Additionally, the profits from the sales must be used exclusively in furtherance of the 4-H YDP’s mission. If all of these are met, then the 4-H is not responsible for obtaining a seller’s permit and reporting and paying tax.

If the 4-H solicits orders, collects payments and distributes tangible personal property for the supplier, it is considered to be the agent of that supplier. In this situation, the supplier is responsible for reporting the sales and remitting any tax due, based on the retail selling price of the merchandise. In this situation the 4-H does not need to obtain a seller’s permit.

4. Can we resale items with the 4-H name and/or emblem or other identifying mark of the organization (e.g., 4-H hat, scarf or tie, pin) to 4-H families (including members and adult volunteers) and 4-H YDP staff?

It depends. This is permissible if the items are made or produced by the 4-H (see #1 above). This is also permissible if the 4-H unit, VMO or group does not make a profit





from the sale of the items as this is considered a transfer of tangible personal property to members.

5. Do we need to report and pay tax on items sold at an auction?

No. If the 4-H receives a donation of merchandise and the item is sold at an auction the 4-H does not owe tax on the sale of the item if the profits are used exclusively in furtherance of the purposes of the 4-H YDP 4-H. This is because 4-H qualifies as a consumer for sales tax purposes.

6. Can we resell wrapping paper, mugs, jewelry, clothing, stuffed animals, or other tangible personal property that we purchased from the store (e.g., target)?

No. These items may not be sold by the 4-H as they involve the sale of tangible personal property that was not produced by 4-H; thus, items such as wrapping paper, mugs, jewelry, clothing and stuffed animals would be subject to sales tax.

7. Why can't 4-H Clubs sell items that require collecting and reporting of sales tax?

This would place a significant administrative burden on the 4-H YDP staff and local 4-H units, VMOs or groups. A seller's permit would need to be obtained, and the proper sales tax rate to be charged would need to be determined as well as the tracking and reporting of all sales. A quarterly sales tax return would be required to be filed with the State Board of Equalization, which would require the timely remittance of any collected sales tax.

8. Are we supposed to charge sales tax on items we sell?

*Sales tax is not charged on the sale of food products, non-alcoholic beverages or other tangible personal property made or produced by 4-H (see #1 above). Sales tax is not charged on sales that involve fundraiser companies (see #3 above), items of tangible personal property transferred to its members (see #4 above) or items sold at an auction that were donated (see #5 above). **No items should be sold that would require us to charge sales tax.***

Reference: Section 6361 and Regulation 1597, Revenue and Taxation Code. California Department of Tax and Fee Administration Publication No. 61, [Sales and Use Taxes: Exemptions and Exclusions](#) and Publication No. 18, [Tax Tips for Non-Profit Organizations](#).

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