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Parish Assistance Memo

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Property & Construction Services

Question One: Can a parish have a book store in which various Catholic items and religious books are sold on church site?

Question Two: Since all the proceeds would benefit the parish, can having a book store be considered a fundraiser?

Answer: If the parish wishes to keep the real property tax exempt status, then the answer to both questions is no; **However, under RCW 84.36.020(2)(b)(ii) the property can be used for non-exempt purposes for up to 50 days each calendar year and 15 of the 50 days can be used for pecuniary gain.**

When there is a book store, then you have a regular place of business with regular hours. A book store business is also considered revenue-generating. There are other requirements when operating a book store, like obtaining a business license, B&O taxes, unrelated business income taxes, filing annual business income reports with the local municipality and the State of Washington. If a parish decides to have a book store on their site, it would be with the expectation that they pay all required taxes and fees and obtain all required permits/licenses associated with that use. And, expect to pay property taxes on the space that is used for this type of use/activity.

Fundraising can affect the tax exempt status of a qualifying nonprofit if not conducted within the State codes and regulations. One needs to take a look at what fundraising means in the Washington Administrative Codes (WAC) and Revised Codes of Washington (RCW).

Fundraisers are intended to raise/solicit money or property, sell goods or services, all to further the goals of the nonprofit organization. It's good to stick with one or two fundraisers per year and not schedule regular fundraisers to occur every last Friday of the month or quarterly. A fundraiser is limited to five consecutive days of operation. A book store would be considered a regularly occurring activity, obviously not limited to five consecutive days. Therefore, a book store would not be considered a fundraiser.

A church exemption does allow for a church to purchase any religious articles or books for parishioners, that is what religious items or books that may be needed or wanted for sacramental preparation, a parish book club, faith formation, religious education, etc. These items can be made available and sold to or purchased by the parishioners for a special event, seminar, class or celebration.

Catholic Archdiocese of Seattle

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