

a statement of their tax status from their Internal Revenue Service (IRS) district office.

(b) Federal income tax withholding for employees, Federal employee taxes, and reports on amounts paid. POs must comply with laws that apply and obtain guidance from private counsel or the IRS.

(c) State and local sales, income, occupation, and employer taxes. Local law will determine whether POs—

(1) Must comply with State and local tax requirements, or

(2) Are exempt from State and local tax requirements.

**§ 556.13 PO compliance with State or local laws.**

(a) Licensing, certification, or registration with State or local authorities may be required for POs engaging in certain activities such as raffles or insurance operations. In approving a permit to operate, the installation commander will decide whether the PO should request a written statement from State or local commissions as to how State laws, local laws, or other requirements apply. The commander will consult with the local SJA office in making this decision.

(b) POs are not exempt from State or local law because they operate on Federal property. This regulation does not require licensing, certification, or registration of PO activities unless specifically required by State or local authorities. The licensing requirement applies only in the State containing the Federal property in which the PO operates.

**Subpart C—Requirements and Procedures for On-Post Operation**

**§ 556.14 Overview.**

The following procedures apply to all POs subject to this regulation, except as discussed in §§ 556.15 and 556.16.

(a) *Operating permit.* All POs that operate on DA installations must have an operating permit. POs seeking a permit to operate on a DA installation must apply in writing to the installation commander.

(b) *Documentation.* (1) Application for a permit will include—

(i) A charter, articles of agreement, constitution, or bylaws. (See sample format at figure C-1 in § 556.15.) Private organizations not using one of these documents in the standard format must ensure that all required information is submitted to the installation commander; the PO may provide a separate document, in conjunction with a charter, articles of agreement, constitution, or bylaws, which completes all information required by this paragraph.

(ii) Any other documentation that states the PO's nature, functions, objectives (including planned use of funds), and activities.

(2) Application documentation will—  
(i) Define membership eligibility. (The majority of membership will be composed of the DOD family.)

(ii) Set forth responsibilities for all management functions. These functions include accountability of assets, coverage and limitation of insurance, and disposition of remaining assets upon breakup of the PO.

(iii) Include a statement of the PO's liability if assets are not enough to cover all PO liabilities. The statement of liability will meet all State and jurisdictional laws; it will also address the extent of PO members' personal liability for debts of, or claims against, the PO. State laws governing the liability of national headquarters of type 2 POs generally apply to all local chapters unless specifically superseded by laws of States where local chapters are established.

(3) To operate on a DA installation, type 2 POs must meet the requirements of both their national headquarters and this regulation.

(c) *Revalidation.* All POs must have their operating permits revalidated every 2 years. Requests for revalidation of operating permits will be submitted to the installation commander 90 days before the current permit expires. The letter of application will request continued operation and will include any major changes in PO activities, objectives, organization, or changes in its constitution, bylaws, and so forth. If revalidation is not obtained, the current permit automatically expires 2 years from the date of last approval. Commanders will establish suspense