

# UTAH SALES TAX

## **GENERAL DESCRIPTION**

Sales tax is a tax on the rental or retail sale of all tangible personal property (excludes room rentals), admissions, user fees and certain services performed within Utah. The sales tax is collected from the purchaser and it is remitted by the vendor (or seller) to the state tax commission.

## **WHO MUST PAY SALES TAX?**

As a governmental entity, the **College is exempt from paying sales tax on tangible personal property or services purchased and used for College functions**. Consequently, employees should not pay sales tax on any purchases.

- A SLCC check, purchase card, or purchase order should be sufficient evidence that the purchase is made by and for the College.
- Note that Limited Cash Draft checks and the Purchase Card have the College's tax number printed on them.
- A completed "Exemption Certificate" is attached that can be used if requested by a vendor to further evidence the purchase is tax exempt.

*☞ There is no provision to get a refund back from the state for sales tax paid. If sales tax was paid in error, one must go back to the vendor to obtain a refund upon providing an exemption certificate.*

## **WHO MUST COLLECT SALES TAX?**

Although the College is generally exempt from paying sales tax, the College must collect sales tax on certain sales and services if they are available to the public, unless the purchaser is also a tax exempt entity or provides a sales tax exemption certificate. Examples of taxable sales include:

- Bookstore / Cafeteria Sales
- Fund-raising Sales
- Concession Sales
- Admission or User Fees (sales of tickets to intercollegiate sporting events are exempt)

*☞ Note: Sales to the College are exempt and should be accounted for separately from taxable sales.*

## **BUDGET CENTER MANAGER RESPONSIBILITY**

Managers should see that sales tax is not paid on purchases. In addition, all "sales" activities should be carefully reviewed to determine whether sales tax should be collected. For questions, **please notify the Business Office (Doug Hansen, ext. 4084) so that a proper determination under the state sales tax rules can be made.**