Sales Tax Overview

Financial and Business Services
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Sales Tax Overview

• Sales Tax Definitions
• Sales Tax Exemptions
• Sales Tax Process
• Questions
Definitions

• “Sale” means any transfer of title, exchange, or barter of tangible personal property or any other taxable item or service for consideration, within the state of Utah.

• “Tangible Personal Property "is defined as personal property that may be seen; weighed; measured; felt or touched; or is perceptible to the senses in any manner
Definitions

- Sales Tax Applies to Selected Services, Including
  - Admissions
  - Utilities
  - Repair Services
  - Renovation Services
  - Installation of tangible personal property
  - Cleaning tangible personal property
  - Sales of meals
Definitions

• Sales of Prepared Food – Tourism Tax
  – Salt Lake County has adopted the Tourism tax
  – An additional 1% tax imposed on all prepared foods and beverages
    • Restaurants
    • Catering
    • Coffee Shops
    • Concessions
  – Tourism Tax is reported separately
  – Does not apply to packaged food (these subject to 3% sales tax)
  – Does not apply to occasional sales
Definitions

• Transient Room Tax
  – Salt Lake County has adopted the Transient Room Tax
  – 5.75% tax on the rental of Hotel or Motel rooms
  – Transient Room Tax is reported separately

• University of Utah is required to pay the Transient Room Tax
  – Send the following to Tax Services to claim a refund
    • Receipt (showing tax paid)
    • Chartfield
    • Contact Name
Sales Tax Exemption

- Utah sales to the University for items used by the University for its mission are exempt from Utah sales tax
  - Purchase must be made with University funds
  - Purchaser must present a completed exemption certificate to the seller
    - Tax Services web site
    - Exempt number is included on P Card

- The University has Sales Tax Exemptions in some other states. See Tax Services web site
  - Purchase must be made with University funds
Sales Tax Exemption

- University sales to purchaser exempt from tax
  - If a sale made to a purchaser who is exempt from tax, the purchaser must present a valid Utah State Exemption certificate
  - Exempt sales must still be reported
Sales Tax Process

• Sales tax returns are due by the last day of the month following the sales month
• Penalties and interest are assessed on the late filing of returns or late payment of sales tax
• Sales tax information is consolidated in the Sales Tax Reporting Tool
  – Tool generates Tax Returns and AJE to record the tax payment
  – Contact Tax Services for tool access
• Sales tax information must be entered in the tool by the 15th of the month
Sales Tax Process

• Sellers are required to keep complete records used to determine the amount of sales tax liability

• Records must be retained for three years from the filing date of the returns
  – University departments must maintain back-up documentation for sales tax liability for three years

• All records are open to the Tax Commission for examination
Questions?

• Contact Tax Services