

# Sales Tax Training

## University of Utah Tax Services

This tutorial will demonstrate how to comply with and complete the university of utah sales tax requirements.



# Learning Objectives

This presentation will review the necessary sales tax information for compliance of University of Utah departments to sales tax guidelines.

It will review the highlights of the sales tax requirements, examine the University of Utah responsibilities, provide updated tax rate information and clarify confusing sales tax requirements.

# Sales Tax Module Outline

1. Sales Tax Definitions
2. Tourism Sales Tax
3. Transient Room Sales Tax
4. Food & Food Ingredients Sales Tax
5. Sales Tax Exemptions
6. University Responsibilities
7. Reporting Requirements
8. Tax Rates
9. Other Information

# Sales Tax Definitions

## Sale

“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.

# Sales Tax Definitions

## Tangible Personal Property

“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.

- Electricity
- Water
- Gas
- Steam
- Prewritten computer software.

# Sales Tax Definitions

**Sales Tax** applies only to selected services, including:

- Admissions
- Utilities
- Accommodations
- Repair services
- Renovation services
- Installation of tangible personal property
- Cleaning or washing tangible personal property
- Sales of meals

# Sales Tax Definitions

## Tourism Sales Tax

- Salt Lake County has adopted the Tourism Tax Sales of Food-Tourism Tax:
- This is an extra 1% tax imposed on all prepared foods and beverages
- Tourism tax separately reported separately in the Sales Tax Reporting Tool



# Sales Tax Definitions

## Tourism Sales Tax

Applies To:

- Soda fountains
- Luncheonettes
- Restaurants
- Catering
- Coffee shops
- Concessions

# Sales Tax Definitions

## Tourism Sales Tax

### Details:

- In general, sale of prepared food for immediate consumption
- Does not apply to packaged food
- Does not apply when activity/outlet serves prepared food only occasionally
- Applies to packaged food sold when prepared food also sold

# Sales Tax Definitions

## Transient Room Sales Tax

- Salt Lake County has adopted the transient room tax
- This is a 6.07% tax on the rental of hotel or motel rooms
- Transient room tax is separately reported on the Sales Tax Reporting Tool

# Sales Tax Definitions

## Reduction in Sales Tax for Food and Food Ingredients

- Sales of food and food ingredients, not prepared food, is subject to a 3% sales tax rate
- Which foods qualify for the reduced sales tax is VERY complicated
-

# Sales Tax Definitions

## Reduction in Sales Tax for Food and Food Ingredients

- If your department serves or sells food, please look over the Utah State Tax Commission link outlining the reduced rate for food and food ingredients. ([Grocery Food Sales & Use Tax](#))
- Departments should complete the food and food ingredients separately on the Sales Tax Reporting Tool.

# Sales Tax Definitions

## Sales Tax Exemptions

- To qualify for the exemption, the purchase must be made with University funds
- Utah sales TO the University for items used by the University for our mission are exempt from Utah sales tax
- The purchaser must present a completed exemption certificate to the seller

# Sales Tax Definitions

## Sales Tax Exemptions

- To qualify for the exemption, the purchase must be If your department is conducting business in another state, contact Tax Services and we can investigate a potential sales tax exemption in such state

# Sales Tax Definitions

## Sales Tax Exemptions

University Sales to Purchaser Exempt from Tax:

- If a sale is made to a purchaser who is exempt from tax, the purchaser must present a valid Utah State Exemption Certificate.
- Exempt sales are not exempt from being reported to the state so you must include exempt sales in the Sales Tax Reporting tool each month.



# Sales Tax Definitions

## Sales Tax Exemptions

### Charitable Institutions:

- How does a religious or charitable institution get a Utah sales tax exemption number?
- Complete an Application for Sales Tax Exemption Number for Religious or Charitable Institutions, Form TC-160
- See Tax Services website for details and links

# Sales Tax Definitions

## University Responsibilities

### Sales Tax Process

- Sales tax returns due by the last day of the month following the sales month
- Penalties and interest are assessed on late filing of returns or late payment of sales tax
- Sales tax information is consolidated in the sales tax Reporting Tool so that the University can prepare its monthly sales tax return
- Sales tax information must be entered in the Sales Tax Reporting Tool by the 15th of the month following the sales month


# Sales Tax Definitions

## Utah Sales Tax Monthly Report

- Sales Taxes are now reported electronically. The Sales Tax Reporting Tool can be accessed in the “Finance/Accounting” section in CIS.
- You must be granted access to the application. The next few pages demonstrate how to use the application.

Firefox

Sales Tax Report

 **Sales Tax Report**  
Financial & Business Services  
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Help Accounting Calendar Utah Tax Rates Utah TaxForms Logout Close

CARLA A. LARSON

Entry Department Reports Admin Notifications Reporting

Emplid:00308703  
CARLA. LARSON  
00001-President

Select Template Select Template Sales Tax Submittal for May 2012  No Sales

County  
Beaver  
BoxElder  
Cache  
Carbon

+ Add POS Location Save as Template ToExcel

I declare to the best of my knowledge, the information submitted is accurate and complete.

Submit Start Over Back to Top

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- 00001-President
- 00338-UniversityPress
- 00340-RedButte Garden & Arboretum
- 00365-University Surplus and Salvage
- 00417-UIT - ACS
- 00428-UIT - Network & Comm. Svcs
- 00435-UNIVERSITY CAMPUS STORE
- 00491-Kingsbury Hall
- 00703-Stewardship Programs
- 00723-Virginia Tanner Creative Dance
- 00728-U of U Medical Group
- 00777-UNIVPRINT & COPY SERVICES
- 00790-MARRIOTT LIBRARY - OPERATIONS
- 00820-ECCLES HLTH SCILIBRARY OPER
- 00842-Rice-Eccles Stadium
- 00965-DFPM-DIV OF OCCUP&ENVIRONHLTH
- 01111-Financial Solutions**
- 01115-GuestHouse
- 01116-Conference Services
- 01261-HCI Hospitality & Events
- 01264-HCI Point Restaurant Operation

Select Template  Sales Tax Submittal for May 2012  No Sales

Select Your Department

County

- Beaver
- Box Elder
- Cache
- Carbon

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I declare to the best of my knowledge, the information submitted is and complete.

Emplid:00308703

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01111-Financial Solutions

Select Template

Sales Tax Submittal for May 2012  No Sales

Select The  
County

County

- Rich
- Salt Lake
- San Juan
- Sanpete



Add POS Location

Save as Template

To Excel

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Sales Tax Report +

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Select Template

Sales Tax Submittal for May 2012  No Sales

Select The City

County

- Morgan
- Piute
- Rich
- Salt Lake**

City

- Midvale
- Murray
- Riverton
- Salt Lake City

+ Add POS Location Save as Template To Excel

I declare to the best of my knowledge, the information submitted is accurate and complete.

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 01111-Financial Solutions

Select Template SelectTemplate

Sales Tax Submittal for May 2017

**Info**  
 Outlet defaulted to 001-University of Utah

County		Tax Type	Tax Rate	Taxes	Sales Amount		
Morgan Piute Rich Salt Lake		General Sales Tax	6.850%	Collected	Mgt Report Total	Calculated Sale	Difference
City Midvale Murray Riverton Salt Lake City				\$ 0.00	\$ 0.00	\$0.00	\$0.00
Outlet 001-University of Utah 001-University of Utah 004-Redwood Center New		BU Org Fund Activity Account 20690					
		Description					
<b>Total Sales Tax Collected</b>					<b>\$0.00</b>	<b>+</b>	<b>Add Line</b>

Save as Template To Excel

I declare to the best of my knowledge, the information submitted is accurate and complete.

Select The Outlet

Submit Start Over Back to Top



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Sales Tax Report

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Select Template  Sales Tax Submittal for May 2012  No Sales

The Rate Will Display

<b>County</b>					
Morgan Piute Rich Salt Lake					
<b>City</b>					
Midvale Murray Riverton Salt Lake City					
<b>Outlet</b>					
001-University of Utah					
<input type="button" value="+ Add POS Location"/>					
<b>Tax Type</b>	<b>Tax Rate</b>	<b>Taxes</b>	<b>Sales Amount</b>		
General Sales Tax	6.850%	Collected	<b>Mgt Report Total</b>	<b>Calculated Sale</b>	<b>Difference</b>
BU Food Tax Transient Tax Restaurant Tax Exempt Des Sales From Non-Fixed Location	<input type="text" value="20690"/>	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
<b>Total Sales Tax Collected</b>			<b>\$ 0.00</b>	<input type="button" value="+ Add Line"/>	
<input type="button" value="+ Save as Template"/>			<input type="button" value="To Excel"/>		

I declare to the best of my knowledge, the information submitted is accurate and complete.

Select The Tax Type

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Sales Tax Report

Entry Department Reports Admin Notifications Reporting

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Select Template Select Template Sales Tax Submittal for May 2012 No Sales

County		Tax Type	Tax Rate	Taxes	Sales Amount			
				Collected	Mgt Report Total	Calculated Sale	Difference	
Morgan		General Sales Tax	6.850%	\$ 0.00	\$ 0.00	\$0.00	\$0.00	
Piute								
Rich								
Salt Lake								
City		BU	Org	Fund	Activity	Account		
Midvale						20690		
Murray								
Riverton								
Salt Lake City								
Outlet		Description					100.00	
001-University of Utah								

Total Sales Tax Collected \$0.00 + Add Line

+ Add POS Location Save as Template To Excel

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Enter The Amount Collected

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Select Template Select Template Sales Tax Submittal for May 2012  No Sales

The Tool Will Calculate These Amounts

County		Tax Type	Tax Rate	Taxes	Sales Amount			
Morgan	Plute	General Sales Tax	6.850%	Collected	Mgt Report Total	Calculated Sale	Difference	
Rich	Salt Lake			\$ 100.00	\$ 0.00	\$1,459.85	\$1,459.85	
City		BU	Org	Fund	Activity	Account		
Midvale	Murray					20690		
Riverton	Salt Lake City	Description					1460.00	
Outlet		Total Sales Tax Collected					\$100.00	+ Add Line
001-University of Utah								

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Enter The Management Report Total

Submit Start Over Back to Top

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Select Template

Sales Tax Submittal for May 2012  No Sales

<p>County</p> <ul style="list-style-type: none"> <li>Morgan</li> <li>Piute</li> <li>Rich</li> <li><b>Salt Lake</b></li> </ul>		<p>Tax Type</p> <p>General Sales Tax</p>		<p>Tax Rate</p> <p>6.850%</p>	<p>Taxes</p> <p>Collected</p> <p>\$ 100.00</p>	<p>Sales Amount</p> <table border="1"> <thead> <tr> <th>Mgt Report Total</th> <th>Calculated Sale</th> <th>Difference</th> </tr> </thead> <tbody> <tr> <td>\$ 1460.00</td> <td>\$1,459.85</td> <td>-\$0.15</td> </tr> </tbody> </table>			Mgt Report Total	Calculated Sale	Difference	\$ 1460.00	\$1,459.85	-\$0.15
Mgt Report Total	Calculated Sale	Difference												
\$ 1460.00	\$1,459.85	-\$0.15												
<p>City</p> <ul style="list-style-type: none"> <li>Midvale</li> <li>Murray</li> <li>Riverton</li> <li><b>Salt Lake City</b></li> </ul>	<p>Outlet</p> <p>001-University of Utah</p>	<p>BU</p> <p>01</p>	<p>Org</p> <p>01111</p>	<p>Fund</p> <p>1001</p>	<p>Activity</p> <p>13095</p>	<p>Account</p> <p>20690</p>	<p>Description</p>							
<p>Total Sales Tax Collected</p>						<p>\$100.00</p>	<p>+ Add Line</p>							

I declare to the best of my knowledge, the information submitted is accurate and complete.

Enter The ChartFields

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Sales Tax Report

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Select Template Select Template Sales Tax Submittal for May 2012 No Sales

Enter Description

Tax Type					Tax Rate	Taxes	Sales Amount		
General Sales Tax					6.850%	Collected	Mgt Report Total	Calculated Sale	Difference
BU	Org	Fund	Activity	Account	\$	100.00	\$ 1460.00	\$1,459.85	-\$0.15
01	01111	1001	13095	20690					

Description: May 2012 General Sales Tax

Total Sales Tax Collected \$100.00 + Add Line

+ Add POS Location Save as Template ToExcel

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Enter The ChartFields

Submit Start Over Back to Top

Check Box And Submit

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Select Template:  Sales Tax Submittal for May 2012  No Sales

**Template Name** [X]

Save as Template

Template Name

Save

Cancel

County: Salt Lake  
City: Salt Lake City  
Outlet: 001-University of Utah

Amount	Calculated Sale	Difference
	\$1,459.85	-\$0.15

Total Sales Tax Collected: \$100.00  Add Line

Add POS Location

I declare to the best of my knowledge, the information submitted is accurate and complete.

**Save As  
Template**

# Reporting Requirements

## Tax Commission Rule R865-19S-22 Records Requirement

- Sellers 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
- All records are open for examination by Tax Commission



# Reporting Requirements

## Tax Commission Rule R865-19S-22 Records Requirement

- University departments must maintain back-up documentation for sales and sales tax liability for three years<sup>5</sup>. Show gross receipts from sales or rental payments from leases of tangible personal property, or services performed in connection with tangible personal property made in Utah regardless of whether the retailer considers the receipts to be taxable or non-taxable



# Reporting Requirements

## Tax Commission Rule R865-19S-22 Records Requirement

- Show deductions and exemptions allowed by law and claimed in filing sales tax returns
- Show bills, invoices, or similar evidence of all tangible personal property purchased for sale, consumption, or lease in Utah
- All schedules or working papers used in the preparation of tax returns must also be maintained

# Reporting Requirements

## Tax Commission Rule R865-19S-22 Records Requirement

- Include the normal account books maintained by an ordinarily prudent business person, together with supporting documents of original entry such as: bills, receipts, invoices, and cash register tapes All schedules or working papers used in the preparation of tax returns must also be maintained

# Sales Tax Rates

- Utah sales and use tax rates are published on the State Sales Tax website.
- [Click here](#) to access the state rates.
- Utah sales and use tax rates are also available in the Sales Tax Reporting tool. The next few screens demonstrate how to find the rates.

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Select Template Select Template

Sales Tax Submittal for May 2012  No Sales

Select Department Reports

County  
Salt Lake

City  
Salt Lake City

Outlet  
001-University of Utah

Tax Type					Tax Rate	Taxes		Sales Amount		
General Sales Tax					6.850%	Collected	Mgt Report Total	Calculated Sale	Difference	
BU	Org	Fund	Activity	Account	\$	100.00	\$	1,460.00	\$1,459.85	-\$0.15
01	01111	1001	13095	20690						
Description					May 2012 General Sales Tax					
Total Sales Tax Collected							\$100.00	+ Add Line		

+ Add POS Location

Save as Template To Excel

I declare to the best of my knowledge, the information submitted is accurate and complete.

- Entry
- Department Reports
- Admin
- Notifications
- Reporting

**Reporting History**  
Description

Run

- Tax Rate
- Department Report

Select Tax Rate

Sales Tax Report +

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Entry Department Reports Admin No

R  
Go  
Go

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**Tax Rate** [X]

County

- Piute
- Rich
- Salt Lake
- San Juan

Cancel Done

Select County

Sales Tax Report +

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Entry Department Reports Admin No

County City

Morgan	Midvale
Piute	Murray
Rich	Riverton
Salt Lake	Salt Lake City

Submit Clear

Select City

Cancel Done



Tax Rate

County City

Morgan	Midvale
Piute	Murray
Rich	Riverton
Salt Lake	Salt Lake City

Submit Clear

Current rates as of June 2012

Tax Type	Current Rate
General Sales Tax	6.850%
Food Tax	3.000%
Transient Tax	5.750%
Restaurant Tax	1.000%

Cancel

Tax Rates are displayed



# Other Information

## Sales Outside Utah:

- Sales to purchasers in other states may be subject to such other state's sales tax laws requiring assessment, collection and reporting
- See [Tax Services website](#) for current sales tax exemptions in other states

# Other Information

## Some Sales Cause Confusion:

- Consignment sales of property require assessment and collection of sales tax
- Fundraising sales of property are subject to sales tax
  - (Utah sales tax exemption for fundraising sales is for K-12 only)

# References

- [Tax Services](#)
- [Ask Us Sales Tax](#)
- [University Sales Tax Exemptions-other states](#)
- [Utah State Tax Commission](#)
- [Utah Sales and Use Tax Rates](#)
- [Food & Food Ingredients Tax](#)
- [Tax Exemption Certificate](#)
- [Sales Tax Reporting Tool](#)