

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
 - Tourism Tax is reported separately
 - Tax Applies to
 - Soda Fountains
 - Luncheonettes
 - Restaurants
 - Catering
 - Coffee Shops
 - Concessions

Definitions

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

Definitions

- Grocery Food
 - Sales of food and food ingredients, not prepared food subject to a reduced sales tax rate
 - 3% Sales Tax Rate
 - Which foods qualify for the reduced sales tax is complicated
 - Food Tax is reported separately

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