

# Texas Sales and Use Taxes - Collection, Reporting, and Remittance

**FSS/PPS No. 03.09.03**

**Issue No. 1**

**Reviewer: Director, Payroll and Tax Compliance**

**Effective Date: 05/14 (E4Y)**

**Review Date: 05/18**

## **01. PURPOSE**

- 01.01 To establish responsibility and policy regarding the charging and collection of state sales tax on all taxable goods and services unless a Sales Tax Exemption or Resale Certificate is presented. The university is then responsible to wire all collected sales tax funds and submission of a monthly sales tax report to the State of Texas Comptroller's Office.
- 01.02 To ensure that policy conforms to State Law.

## **02. POLICY STATEMENT**

- 02.01 It is the policy of the university to comply with the state of Texas Sales and Use Tax regulations by collecting, accounting for, reporting and remitting sales tax in a timely manner. Departments engaged in the sale of taxable goods and services must collect and deposit the sales tax, and the university must forward a monthly report to the State of Texas Comptroller's Office.
- 02.02 The purpose of this policy is to protect the university from penalties for failure to timely file complete and accurate tax returns.

## **03. DEFINITIONS**

- 03.01 Seller – Every retailer on campus or any other person or organization on campus who sells, leases or rents taxable items or services. Examples of sellers on campus are the University Bookstore and PAWS market in the LBJ Student Center, the Student Recreation Center, the Outdoor Recreation Center, the Golf Course Pro Shop, and the Texas State Athletics website and concessions.
- 03.02 Taxable vs. non-taxable goods or service – State and local Sales and Use Tax is imposed on all retail sales, leases and rentals of most goods, as well as taxable services, as defined by Texas Tax Code and Texas Administrative Code, which are linked on the State Comptroller's website. Services related to the University's core educational mission, such as agreements pertaining to teaching services, internships or research are not generally subject to sales tax.

[Tax Code Sec. 151](#)

[Texas Administrative Code, Title 34, Chapter I \(3\(O\)\)](#)

[Texas Comptroller's website](#)

03.03 Sales Tax Exemption – A seller may accept a valid Texas Sales and Use Tax Exemption Certificate that exempts the buyer from sales and use tax on goods or services.

**04. PROCEDURES**

04.01 Any department engaged in the sale of taxable goods and services must collect and deposit the sales tax no later than the close of business the next working day after receiving funds. The department must follow the university's cash handling procedures, which are outlined in UPPS 03.01.05, University Income Recognition and Associated Cash-Handling Procedures.

04.02 Collected taxes will be deposited in, accounted for and remitted from the sales tax liability account 201300.

04.03 All sales tax remittances to the tax authorities will be coordinated through the university's Student Business Services Office.

04.04 Any questions about whether the sale of a particular good or service is subject to sales tax in Texas or another jurisdiction should be directed to the Payroll and Tax Compliance Office for resolution before the sale takes place.

**05. MAJOR RESPONSIBILITIES ASSOCIATED WITH THIS PPS**

Major responsibilities for routine assignments associated with this PPS include the following:

<u>Positions</u>	<u>Section</u>	<u>Date</u>
Director, Payroll and Tax Compliance	Review	May (E4Y-14)

**06. CERTIFICATION STATEMENT**

This FSS/PPS has been approved by the following individuals in their official capacities, and represents FSS policy and procedure from the date of this document until superseded.

Director of Payroll and Tax Compliance

Associate Vice President for Financial Services

Vice President for Finance and Support Services

Approved: \_\_\_\_\_  
Director of Payroll and Tax Compliance

Approved: \_\_\_\_\_  
Associate Vice President for Financial Services

Approved: \_\_\_\_\_  
Vice President for Finance and Support Services