**Texas Sales and Use Taxes – FSS/PPS No. 03.23 (03.09.03)**

**Collection, Reporting, and Remittance Issue No. 3**

 **Effective Date: 03/28/2022**

 **Next Review Date: 05/01/2026 (E4Y)**

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

**POLICY STATEMENT**

*Texas State University is committed to* promoting proper financial stewardship of funds.

1. **BACKGROUND INFORMATION**

01.01 The purpose of this policy and procedure statement is to establish responsibility and policy regarding the charging and collection of state sales tax on all taxable goods and services unless a [Texas Sales and Use Tax Resale Certificate](https://gato-docs.its.txstate.edu/jcr%3A7c6279ac-74da-4f46-b193-7076f78ccecc/Texas%20Sales%20and%20Use%20Tax%20Exemption%20Certification.pdf) is presented.

01.02 It is the policy of Texas State 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.

01.03 The purpose of this policy is also to protect the university from penalties for failure to timely file complete and accurate tax returns.

1. **DEFINITIONS**

02.01 Exceptions – 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.

* 1. Sales Tax Exemption – A seller may accept a valid [Texas Sales and Use Tax Resale Certificate](https://gato-docs.its.txstate.edu/jcr%3A7c6279ac-74da-4f46-b193-7076f78ccecc/Texas%20Sales%20and%20Use%20Tax%20Exemption%20Certification.pdf) that exempts the buyer from sales and use tax on goods or services.
	2. 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 PAWS Market in the LBJ Student Center, the Student Recreation Center, the Outdoor Recreation Center, Parking Services, and the Athletics website and concessions.
	3. 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](https://statutes.capitol.texas.gov/Docs/TX/htm/TX.151.htm) and [Texas Administrative Code](http://texreg.sos.state.tx.us/public/readtac%24ext.ViewTAC?tac_view=5&ti=34&pt=1&ch=3&sch=O&rl=Y), which are linked on the [State Comptroller's website.](https://comptroller.texas.gov/taxes/sales/)

**03. PROCEDURES**

03.01 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, outlined in [UPPS No. 03.01.05](http://policies.txstate.edu/university-policies/03-01-05.html), University Income Recognition and Associated Cash-Handling Procedures.

03.02 Collected taxes will be deposited in, accounted for, and remitted from the Sales Tax Liability account (201300).

03.03 All sales tax remittances to tax authorities will be coordinated through the [Student Business Services Office](http://www.sbs.txstate.edu/).

03.04 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](http://www.txstate.edu/payroll/) for resolution before the sale takes place.

**04. REVIEWER OF THIS PPS**

04.01 Reviewer of this PPS includes the following:

Position Date

Director, Payroll and Tax Compliance May 1 E4Y

**05. CERTIFICATION STATEMENT**

This PPS has been approved by the following individuals in their official capacities and represents Texas State Finance and Support Services policy and procedure from the date of this document until superseded.

Director of Payroll and Tax Compliance; senior reviewer of this PPS

Associate Vice President for Financial Services

Vice President for Finance and Support Services