



Angelo State University
Operating Policy and Procedure

OP 14.08: Sales Tax Collection

DATE: June 4, 2019

PURPOSE: The purpose of this Operating Policy and/or Procedure (OP) is to establish guidelines for the collection and deposit of sales tax in compliance with rules established by the State Comptroller of Public Accounts. This OP describes and lists examples of items on which the collection of sales tax is required and provides general sales tax information.

REVIEW: This OP will be reviewed in June every five years, or as needed, by the senior financial accountant, in conjunction with the executive director/controller, with recommendations for revision forwarded through the vice president for finance and administration to the president by July 15 of the same year.

POLICY/PROCEDURE

1. General

- a. Although Angelo State University is a tax-exempt organization, the exemption applies to items purchased, not sold.
- b. The sales tax applies to a broad base of services and items. Meal plans, included in room and board payments, are one example of a taxable item.
- c. Items sold to other university departments or exempt organizations are not taxable. A tax exemption certificate must be obtained from the exempt organization. Exemption certificates 01-339 are available online at <https://comptroller.texas.gov/taxes/sales/forms/>
- d. Decisions on issues relating to sales tax are based on State of Texas statutes. Current state laws will be followed and they will supersede policies included in this OP.

2. Tax Rate

The current sales tax rate is 8.25 percent of taxable sales for sales made in Tom Green County. This percentage should be added to all taxable items or included in the price.

3. Sales of Goods and or Services

- a. Food Items

All prepared food sold in dining halls and the snack bar is taxable. All packaged, ready-to-eat food is taxable. Food products that require additional preparation by the purchaser,

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such as cooking or thawing, are not taxed (e.g., a ready-to-eat bag of popcorn is taxable; packaged popcorn to prepare at home is not taxed).

b. Parking

Colleges, universities, and public schools are not required to collect sales tax on parking permits and fees charged to their students, faculty, or staff for parking. However, charges to the general public for parking are taxable.

c. Rentals

Rentals of tangible personal property are taxable. For example, rentals of canoes, tents, and other sports equipment to students, staff, or faculty are taxable. However, if the rental item is required for class use, it is exempt from sales tax.

d. Tangible Personal Property and other sales

All tangible personal property (e.g. t-shirts, bracelets) sold by the university or sold by a university athletic team for fundraising purposes is subject to sales tax.

- (1) See Texas Tax Code Section 151.009 for additional information on the sale of tangible personal property.
- (2) See Texas Tax Publication 94-183 at <https://comptroller.texas.gov/taxes/publications/> for additional information on school, including higher education, fundraisers.
- (3) See Sales Tax Rule 3.322(h) relating to Exempt Organizations for additional information on taxable items sold by exempt organizations.