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Clone of Tax Information [1]

The Office of University Controller (OUC) coordinates guidance on a number of tax-related issues, including the following:

Tax-Exempt Documentation

The University of Colorado, as a public institution of higher education of the State of Colorado, is generally exempt by law from all federal excise taxes and from all Colorado State and local government sales and use taxes when purchasing goods or services in the conduct of official University business (IRS 48.4221-5 and C.R.S. 39-26-704).

- This means that if your organizational unit is purchasing merchandise for the exclusive use of the University from either an in-state or out-of-state supplier, and the shipping destination is Colorado, this purchase should be tax exempt with no sales tax applied.
- However, under certain situations (e.g., purchasing items for resale, such as catered meals that are provided to attendees paying to attend an event), the tax-exempt status does not apply.
- Learn more by clicking here: Tax-Exempt Information [2].

Business Expense Substantiation and Tax Implications (BEX)

According to the University of Colorado's accountable plan – under IRS regulations – the University must report as taxable income any business expenses incurred by an employee and not substantiated within 90 days of the transaction date or within 90 days of the trip end date.

- Employees who do not meet the conditions of the University's accountable plan by complying with the Finance Procedural Statement Business Expense Substantiation & Tax Implications will have the amount of the related expense (commercial credit card transaction, cash advance, reimbursement) reported as taxable income on the employee's pay advice and on IRS Form W-2.
- Learn more by clicking here: Business Expense Substantiation & Tax Implications [3].

Moving Expenses

Employee moving expenses paid by CU are taxable (earnings code MVT).

- This applies whether CU is reimbursing employees ... or paying moving companies directly on their behalf.
- Learn more by clicking here: Moving Expenses [4].

Remote Work: Travel/Expense Tax Considerations

Federal guidance requires employees be taxed on travel and other expense payments/reimbursements when the expenses are considered personal in nature – such as expenses for normal commuting between the employee's primary work location and their home or personal residence. University of Colorado guidance on this issue is currently under development.

- Learn more by clicking here: Remote Work: Travel/Expense Tax Considerations [5].

Unrelated Business Income Tax (UBIT)

Even though an organization is recognized as tax exempt, it still may be liable for tax on its unrelated business income. For most organizations, unrelated business income is income from a trade or business, regularly carried on, that is not substantially related to the charitable, educational, or other purpose that is the basis of the organization's exemption.

- Learn more by clicking here: Unrelated Business Income Tax (UBIT) [6].

Note that the University of Colorado cannot provide personal tax advice.

- We recommend that employees consult with their personal tax advisor.

Groups audience:
Controller
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OUC - Tax code resources

Source URL:https://www.cu.edu/controller/clone-tax-information

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