Published on *University of Colorado* (https://www.cu.edu)

Sales & Use Tax [1]

In Brief

- CU is is generally exempt from sales taxes when the item is directly purchased by the University (e.g., by Procurement Card or Purchase Order) and the item is used in furtherance of the University's tax-exempt educational mission.
- Organizational units need to understand when they are responsible for sales and use tax, and how to remit it

Quick Look

Procedural Statement - *effective date: 10/01/2026*

Introduction

As a public institution of higher education of the State of Colorado, the University of Colorado is generally exempt from sales taxes when the payment is made on university funds (e.g., using a Procurement Card or a Purchase Order) and the items are used in furtherance of the University's tax-exempt educational mission.

- Note that a sales tax exemption certificate/affidavit of exemption or tax-exemption ID number is required before an exemption can be applied. A 501(c)(3) determination letter alone is not sufficient, since federal tax?exempt status does not automatically confer state or local sales tax exemption. In addition, Colorado has a large number of state?administered and home?rule local tax rates. If departments are shipping tangible products, they should confirm the applicable rate in advance, either with the campus controller's office or by using the Colorado Sales Tax Lookup [2] website.
- If an employee makes the purchase with personal funds – with the intention of subsequently requesting reimbursement from the University – then the purchase is not tax exempt, even if the employee presents a university tax-exemption number. These procedures describe how to identify and remit sales and use tax when the University does not meet the tax-exempt conditions.

Definitions

Terms used in this procedural statement are defined below:

- Tangible personal property is personal property that can be felt or touched and is subject to sales and use tax. Examples of tangible personal property include food and beverages, publications, T-shirts and other clothing, mugs, books, and souvenirs. Intangible personal property is not subject to sales and use tax. Examples of intangible personal property include contracts, gift certificates, tickets to sporting or entertainment events, patents, and copyrights.
- Taxable services normally include catering, rooms and accommodations, commercial gas and electrical service, steam, telephone service, and transportation charges.
- Sales Tax – Colorado's sales tax is a transactional tax charged when a buyer purchases tangible personal property or benefits from certain taxable services in Colorado. The State of Colorado imposes a sales tax of 2.9% on retail sales transactions of 17 cents or more.
- Use Tax must be paid by the purchaser of goods stored, used, or consumed by the purchaser where the seller did not or could not collect sales taxes.

Sales Tax Procedures

The following steps must be taken to ensure sales tax is appropriately identified, collected, and remitted:

- Organizational units must consult with the appropriate campus controller's office (for contact information see under Questions, below) to determine and confirm all tax liabilities for the organizational unit's activities and events, as well as to determine applicable tax rates.
- Taxes are destination-based: the rate is determined by the location in which the ownership of the goods changes.
- Sales tax rates are subject to change during January and July of each year
- Organizational units that do not remit the required sales tax in a timely manner may be subject to penalties and interest on past-due amounts. Sales tax is the responsibility of the organizational unit and is due to the appropriate campus controller's office (for contact information see under Questions, below) by the 10th of the month following the sale.
- The appropriate campus controller's office will remit the taxes to the designated taxing authorities.

Requirements associated with the conduct of university fundraising events include:

- The organizational unit must include the sales tax when calculating the Fair Market Value (FMV) of any goods or services received for a fundraising event.
- Fundraising meals are subject to sales tax on the FMV of the meal.
- A single fundraising event may incur more than one type of sales tax rate depending on event activities. For example, the tax rate for catered food and beverage may differ from the tax rate for other items (e.g., tangible goods sold through a silent auction). The appropriate campus controller's office will assist organizational units in determining the

sales tax rates for their event items and activities.
- Auctioned items are subject to sales tax on whichever is lower – the FMV of the item being auctioned or the winning bid amount for that item. Sales tax cannot be imputed from the winning bid amount for an item nor can it be imputed from the total bid amount (total proceeds) for all items. For merchandise sales items, sales tax must be added to the cost of each individual item sold. Sales tax cannot be imputed from total sales.
- Sales tax is due to the appropriate campus controller's office (for contact information see under Questions, below) no later than the 10th of the month following the event.

Note on taxable services:
Two taxable services are delivery/shipping and software. The appropriate campus controller's office provides guidance on what software is, what types of software are taxable, and whether a home rule city's tax rules on software differ from the state's rules.

Specific Roles and Responsibilities

Organizational units are responsible for:

- Contacting the appropriate campus controller's office (for contact information see under Questions, below) for campus-specific sales tax instruction so as to facilitate the timely remission of applicable sales tax.
- Issuing to each buyer a sales receipt showing the sales price and amount of sales tax paid.
- Ensuring that a Journal Entry (JE) is created for the identified sales tax liability in the designated SpeedType. The JE may be created by either the organizational unit or the appropriate campus controller's office.
- Remitting all applicable sales tax, penalties, fines, and interest to the appropriate campus controller's office (for contact information see under Questions, below) in a timely manner.

The appropriate campus controller's office is responsible for:

- Obtaining a sales tax license (if applicable) for the campus, as required by the local taxing authority, and coordinating with the OUC to verify existing sales tax licenses held by the University.
- Ensuring that the University Controller sign the sales tax license application, if that document requires an officer's signature.
- Determining applicable sales tax rates for campus organizational unit activities that have tax liabilities.
- Being familiar with sales and use taxes required of local jurisdictions within their campus jurisdiction.
- Assisting organizational units with preparing and remitting sales tax in a timely manner and according to campus procedures.
- Calculating penalties and interest for past-due sales tax.

The Office of University Controller is responsible for:

- Contacting tax authorities as necessary.

- Providing additional sales tax guidance to organizational units and to the campus controller’s offices.

Questions

Contact the appropriate campus controller’s office. As noted on our Campus Controller's (Finance) Offices webpage [3], the designated campus contacts are:

- CU Boulder: salestax@colorado.edu [4]
- CU Denver | CU Anschutz: Finance.AccountingHelp@ucdenver.edu [5]
- UCCS: acctfinc@uccs.edu [6]
- CU System: fss@cu.edu [7]

Revision Log

- Updates 10/1/2026: Clarified language on requirements for proof of tax exemption, added note on taxable services, streamlined responsible office roles, miscellaneous minor edits.
- Updates 4/1/2025: Changed exception authority from Associate Vice President & University Controller to Director of Tax, with requests for exceptions to be submitted through the appropriate campus controller's office.
- Accounting Handbook Sales & Use Tax Procedures published dated 3/1/2018.

Exceptions

Unless approved by the Director of Tax in the Office of University Controller, there are no exceptions to this procedural statement. Requests for exceptions must be submitted through the sales tax expert team at the appropriate campus controller's office – for contact information see under Questions, above.

Groups audience:
Controller
Right Sidebar:
AH Sales/Use CTA Side
AH Sales & Use Resources
OUC-Where Policies

Source URL:https://www.cu.edu/controller/procedures/accounting-handbook/sales-use-tax

Links
[1] https://www.cu.edu/controller/procedures/accounting-handbook/sales-use-tax
[2] https://colorado.atr.avalara.com/ [3] https://www.cu.edu/controller/campus-controllers-finance-offices
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