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Sales Tax Compliance - FAQs [1]

Why is the hotel or restaurant asking me to complete a Sales Tax Exemption form for my event?

Many hotels and restaurants request you complete a Sales Tax Exemption form that will be used to determine your tax-exempt status.

- If you are charging an admission/registration fee for an event and the event includes food/beverage, the University cannot use its tax-exempt status to purchase the food/beverage. Taxing jurisdictions view this as “re-selling” the meal; since CU is getting reimbursed for the meal, CU cannot “pass on” tax-exempt status to the attendee. This applies to all events that charge an admission/registration fee: conferences, official functions, and fundraising events that are charging a fee and serving food/beverage need to pay sales tax on their food/beverage/catering services.
- In addition, audiovisual services for events charging admission/registration fees are taxable items.

How do I pay the sales tax liability?

- If Procurement Card purchases, it is the responsibility of the organizational unit to notify the supplier that sales tax is applicable and to review the invoice and verify that sales tax has been applied. Add a comment to the expense line in Concur to explain that you are charging an admission/registration fee and that sales tax applies to the event.
- For Purchase Orders or Standing Purchase Orders over $10,000, it is the responsibility of the organizational unit to let the PSC purchasing agent know the sales tax status of the event (email officialfunctions@cu.edu [2] and explain that you are charging an admission/registration fee, and that sales tax applies to the event).

We are including a silent auction at our fundraising event. Do we have to charge sales tax to the purchasers of these items?

Yes. Sales tax is a transactional tax and the tax must be calculated and paid by the purchaser for all tangible items sold at your event.

- There is no sales tax on services, so items such as gift cards for salon/spa services or dog-walking services would not have sales tax.
- The organizational unit cannot impute sales tax for the total amount of auction sales. The individual purchaser must pay the sales tax on the purchase of the specific good.

After the event, the organizational unit will work with their sales tax specialist in the campus controller's office/finance office [3] to create a journal entry for the total sales tax amount due and remit payment to the taxing jurisdiction.

Source URL:https://www.cu.edu/controller/sales-tax-compliance-faqs

Links
[1] https://www.cu.edu/controller/sales-tax-compliance-faqs [2] mailto:officialfunctions@cu.edu
[3] https://www.cu.edu/controller/campus-controllers-finance-offices