

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 (link to form), that will be used to determine your tax exempt status. If you are charging an admission/registration fee and it includes a meal/bev, the University cannot use our tax exempt status to purchase the food/beverage. Taxing jurisdictions view this as “re-selling” the meal; we are getting reimbursed for the meal and we cannot “pass on” our 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.

How do I pay the sales tax liability for food/beverage?

The easiest way to pay sales tax is to ask the catering vendor to add it to your invoice, whether that be by your procurement card or purchase order. 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 for your event). If your catering invoice is being paid by your procurement card, it is the responsibility of the organizational unit to notify the supplier that sales tax is applicable and also to review the invoice and verify that sales tax has been applied. Add a comment to your expense line in Concur and explain 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, 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 certificates/cards, salon/spa services, or dog-walking service, would not have sales tax. Also, the organizational unit cannot impute sales tax for the total amount of auction sales, the purchaser must pay the sales tax on the purchase of the good. After your event, your campus sales tax specialist will create a journal entry for the total sales tax amount due and remit to the taxing jurisdiction.

Source URL: <https://www.cu.edu/psc/sales-tax-compliance-faqs>

Links

[1] <https://www.cu.edu/psc/sales-tax-compliance-faqs> [2] <mailto:officialfunctions@cu.edu>