

## **Tax-Exempt Status** <sup>[1]</sup>

The University of Colorado, as a public institution of higher education of the State of Colorado, is 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).

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.

### **To Make a Tax-Exempt Purchase**

In order for the University to use its tax exemption, purchases must be made using a University Purchase Order, University Procurement Card, or University Travel Card, and must be paid directly to the seller (e.g., by warrant or check drawn on government funds, or via credit card in the name of the University of Colorado).

- **Note to Suppliers:** University of Colorado purchasing cards include the name of the cardholder and the University's tax-exempt number for the State of Colorado. All card charges are billed directly to the University of Colorado.

### **Tax-Exempt Certificate Numbers**

It is not required that governmental entities present a Colorado issued tax-exemption number in order to make a tax exempt purchase. However, if requested, following are the pertinent numbers to use:

#### **FEIN Number: 84-6000555**

- The above Federal Employer Identification Number is issued for the purpose of IRS tax administration. It appears on the University's IRS Tax Exempt Letter (see Related Links).
- Federal Excise Tax Exemption Register Number: 84-730123K

#### **State of Colorado Tax-Exempt Number: 98-02565-0000**

- Upon request, University organizational units should generally provide suppliers with this number.

### **When Payment of Sales Tax is Required**

If your organizational unit conducts an event that charges an admission/registration fee and the fee includes a meal/beverage to an attendee, then you cannot use the University's tax exemption status in purchasing the food/beverage.

- By paying a registration fee that includes a meal/beverage, the attendee is in effect the actual purchaser of the meal. Taxing jurisdictions view this as re-selling the meal; accordingly, the University is being reimbursed for the meal and cannot pass on its tax-exempt status to the attendee.
- Conferences, Official Functions, and Fundraising Events that are charging a fee and serving food/beverage are required to pay sales tax on their food/beverage/catering services. If your event has sales tax liabilities, notify the caterer and ensure that sales tax is added to your invoice. (Catering suppliers are required by law to remit the appropriate sales taxes to the taxing jurisdictions.) For purchase orders, you must also notify the PSC Purchase Agent and ensure that sales tax is flagged on the PO so PSC Payable Services will pay it.

## Home Rule Cities

- Although the State of Colorado tax exemption is somewhat universal, the exemption does not apply to locally collected sales tax levied by home rule cities. Home-rule jurisdictions may have different rules regarding government tax exemptions. See Related Links to home rule jurisdictions in which the University frequently conducts business. Please use appropriate home rule city letters and certificates for supplier requests for tax exemption documents.
- A home rule city may ask you to complete the *Standard Home Rule Affidavit of Exempt Sale form* and the *Affidavit of Exempt Event form* (required by home rule municipalities in Colorado for any transaction for which an exemption from sales/use tax is claimed). If you are using the University's tax-exempt status for a purchase, the supplier may ask you to complete these forms. The Affidavit of Exempt Event form generally asks three questions, and all must be answered in the affirmative (Yes/True) for the purchase to qualify for tax exemption. For example, you must be able to answer YES to the question: *The participants at the event have not and will not reimburse the organization in any way for the event such as by purchase of a ticket, payment of a registration fee, or by making an involuntary contribution.* If your event is charging an admission/registration fee to attend, you would select the NO box, and your event would not qualify for exemption from sales tax.

## New Sales Tax Rules for Remote Online (and Offline) Sellers

- Taxing remote sales have changed for the University, based on federal regulations. If your organizational unit sells merchandise to out-of-state purchasers, please work with your campus controller's office to determine sales tax liability.

## Note to Suppliers

- When materials are purchased for the benefit of the State (here, the University), such exemptions apply. In certain political subdivisions (e.g., City & County of Denver), suppliers may be required to pay sales or use taxes even though the ultimate product or service is provided to the State. Such sales or use taxes will not be reimbursed by the University.

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**Source URL:** <https://www.cu.edu/psc/tax-exempt-status-0>

## Links

[1] <https://www.cu.edu/psc/tax-exempt-status-0>