



TEXAS WOMAN'S UNIVERSITY™

University Guidelines for Collecting Sales Tax (October 14,2020)

Texas Woman's University is exempt from paying State of Texas sales tax on purchases. However, it is not exempt from collecting tax on sales made by the university. Sales tax will be owed when items are sold to students, to the general public (*profit is not a factor*) or when students are asked to reimburse the university for items paid for by the university and the end consumer is the student.

When a university department sells a taxable item, the department is responsible for collecting sales tax, unless proof of tax exemption is obtained. Sales tax exempt certificates should be kept on file by the selling department. The department must collect the tax and deposit into the University sales tax account. The Oracle account object code for this tax is 5005.

The university cannot pass on the exempt sales tax status to any other person, the general public or business. For example, a university department cannot purchase shirts and then sell the items to a non tax-exempt persons/business without collecting the sales tax.

All tangible personal property sold by the University or sold by a team for fundraising university athletic purposes is subject to sales tax. (1) See Texas Tax Code Section 151.009 for additional information on the sale of tangible personal property. (2) See Texas Tax Publication 94-183 at <https://comptroller.texas.gov/taxes/publications/> for additional information on school, including higher education, fundraisers. The statutory definition for *tangible personal property* is “personal property that can be seen, weighted, measured, felt, or touched or that is perceptible to the senses.”

Examples of tangible property:

- Clothing
- Computer programs
- Meals
- Books

Rentals of tangible personal property are also taxable. For example, rentals of canoes, tents, and other sports equipment to students, staff, or faculty are taxable. However, if the rental item is required for class use, it is exempt from sales tax.

Sales tax will not be added on charges for public information.

The Controller's Office remits the sales tax collected by the entire university to the State Comptroller's Office as required. There is no need for the department to fill out a sales tax form or to remit the tax to the state.