

Sales Taxes Frequently Asked Questions

- **When should a university department collect Sales Tax?**

While Texas A&M University San Antonio and its departments are exempt from paying sales tax as provided by [Texas Tax Code Section 151.309](#), the university and its departments are not exempt from collecting sales tax. Unless a [Sales Tax Exemption Certificate](#) is obtained from the purchaser, the university is responsible for collecting sales tax when a university department sells a taxable item. Organizations can be verified as exempt by using the State's online [Exempt Organization Search](#). Sales tax exemption certificates should be kept on file by the selling department following the retention schedule.

- **Is every university department responsible for submitting a sales tax form to the State Comptroller's Office when a taxable item is sold?**

There is no need for individual departments to complete a sales tax form or to remit the tax to the State. The Department of Accounting Services remits quarterly the sales tax collected by the entire university to the State Comptroller's Office as required.

- **Where do university departments deposit sales tax collected on taxable items sold?**

Collection of departmental sales should be deposited at Student Business Services daily. Based on the type of revenue collected, transactions are configured to automatically record sales tax to the sales tax account 011518-2110 in FAMIS.

- **What is the current sales tax rate?**

Tax rates vary from county to county and sellers should use the appropriate tax rate for their location. The current tax rate for Bexar County is 8.25%.

- **A university department sponsors dinners, banquets, and receptions. The department pays for the expenses upfront and then attending**

employees/guests are expected to reimburse the department. Should the university collect sales tax on these reimbursements?

Yes, if the department pays for the expenses and expects to be reimbursed, then sales tax must be collected from those non-exempt individuals reimbursing the department. This is a sale of a meal, not a reduction to an expense.

- **A university department is hosting a banquet. The guests are charged \$15.00 for admission. They receive a meal that costs \$10.00. The remaining \$5.00 covers the cost for decorations, programs, and table centerpieces. What portion is subject to sales tax?**

The university would collect sales tax on the \$15.00 ticket. Texas **Administrative Code Title 34, Part 1, Chapter 3, Subchapter O, Rule §3.293** states that tax is due on the total charge for food, meals and drinks (even if part of the charge included overhead items) sold by the university.

- **What if the university is hosting a banquet for educational purposes and the registration fee is \$150.00? Also, as part of the registration fee, guests will receive a meal that costs \$10.00.**

If the registration fee for the conference, seminar, or workshop includes the price of the meal, the \$150.00 fee is not taxable. However, the amount for the meal is taxable if the meal is optional as an additional cost to the registration fee. Banquets held for reunions, social events, or fundraisers are not considered educational and would be subject to sales tax.

- **If conference materials are sold separately from the conference registration fee, should sales tax be collected?**

Yes, the university would need to collect sales tax on materials (i.e. books, manuals, etc.) sold separately from the conference registration fee.

- **Should the university collect sales tax on amusement services?**

As long as no part of the proceeds goes to the benefit of a private individual, no sales tax is due on the sale of an amusement service (e.g. concert, college football game, etc.) if the service is provided exclusively by an educational

organization. This exemption includes institutions of higher education as defined under Education Code, Section 61.003(8). See Title 34, Part 1, Chapter 3, Subchapter O, Rule §3.298 (g)(1)(C).

- **A university department purchased shirts to give out to employees to wear on Fridays and on special occasions. Does the university have to collect sales tax on extra shirts sold to employees even though no sales tax was paid on the original purchase?**

Yes, the university must collect sales tax on items sold to non-exempt individuals. There is no such thing as a pass through sale. We cannot pass on the university's exempt sales tax status to anyone else. If someone claims they are tax exempt, they must disclose a signed Sales Tax Exemption Certificate.

- **Where can I get answers to specific Sales Tax questions?**

If you have any questions, please contact Denis Cano at (210) 784-2011 or Patricia Hayes at (210) 784-2020.