

SMU Tax Policies

Subject: Sales and Use Tax – University Out-of-State Purchases

Effective Date: 08/22/07

Revision Date: 08/23/17

Tax Policy: 5.2

Sales and use tax is assessed by all states except for New Hampshire, Oregon, Montana, Alaska, and Delaware (NOMAD). The provisions for sales and use tax exemptions vary from state to state. Some states recognize the University's federal 501(c)(3) exemption and will allow the University to purchase taxable items tax-free.

Currently, the University is exempt from sales and use tax in [these states](#).

However, many states will not allow sales tax exemptions for purchases made by individuals on behalf of the University. Whenever possible, out-of-state purchases should be made by SMU procurement card or by billing the University. Employees traveling out-of-state for business should reference this policy prior to making travel arrangements to check to see if the University is exempt from hotel occupancy tax in the state they are traveling.

The Tax Compliance Department is responsible for reviewing the business need for requesting any sales tax and hotel occupancy tax exemptions. Refer questions or issues related to out-of-state sales tax matters to the Tax Department, extension 8-2190.