

## SMU Tax Policies

**Subject:** Sales Tax – University Sales

**Effective Date:** 10/28/08

**Revision Date:** 08/23/17

**Tax Policy:** 5.7

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The University is responsible for collecting and remitting sales tax on all sales of taxable tangible property, rentals, or services, unless the sales are specifically [exempt from tax](#) or a valid exemption certificate is provided at the time of the sale. The original vendor exemption certificate should be maintained and filed with departmental documentation and a copy should be provided to the Tax Department.

The University is exempt from collecting sales tax for two 24-hour events in each calendar year. Requests to be designated as one of the events should be forwarded to the Tax Department via email no later than December 1<sup>st</sup> for consideration for the subsequent year. After reviewing the request, the Tax Department will notify the requester of the determination. All auctions, including silent auctions, should be reviewed by the Tax Department.

Student organizations affiliated with the University are entitled to **one** 24-consecutive hour tax-free fundraiser event per month. During a tax-free event, the organization is not required to collect sales tax on the sales price of any taxable item sold for \$5,000 or less. If the item sold during a tax-free event is a donated item (not sold to the original donor) or manufactured by the University, the item may be sold tax-free regardless of the sales price. Additionally, the first \$5,000 of a student organization's total receipts from sales of taxable items in a calendar year, excluding the one 24-consecutive hours tax-free event per month, are exempt from sales tax.

Student organizations are responsible for documenting and tracking the allowed tax-free sales during the year to ensure compliance. Any sales qualifying for this exemption should be reported to the Tax Department on a quarterly basis.

Sales tax should be assessed at the appropriate tax rate for the sales tax location (currently 8.25 % for Dallas). It is the individual or department's responsibility to collect the sales tax on taxable items it sells and to record it in 2020-10-268442.

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**Note:**

Sales made at our Taos location are subject to gross receipts tax. Unless the University receives a Nontaxable Transaction Certificate from the vendor, sales and leases of goods and other property, both tangible and intangible are taxable in New Mexico.

**Examples of taxable sales:**

- T-Shirts and other clothing
- Caps
- Towels
- Equipment rentals
- Meals
- Paper copies
- Books
- Paper items
- Pencils and pens (other school supplies)
- Stationary and cards
- Toiletries
- Surplus sales (unless included in the Annual Surplus Sale held by the University)
- Magazines
- Phone Cards
- Calendars
- Candy
- Soft drinks and flavored water
- Rental items
- Meals
- Prints and film processing
- Computer software

**Examples of exempt sales:**

- Amusement services (tickets to University events)
- Membership dues and fees
- Locker rentals (attached to building)
- Personal training sessions (one on one training programs)
- Fitness classes (class format)
- Newspapers