University Community (faculty, staff and students)

SUBJECT (R*)                              EFFECTIVE DATE (R*)                   POLICY NUMBER (O*)
SALES TAX                                  January 10, 2005                        1110.040

POLICY STATEMENT (R*)
Each sale, admission charge, storage, or rental is taxable unless the transaction is specifically exempt from sales tax under Florida law.

REASON FOR POLICY (O*)
This policy is to provide the University guidance on when an activity gives rise to sales tax, in order to ensure the proper payment and collection of sales tax in accordance with the provisions of Florida law, Chapter 212, Florida Statutes.

DEFINITION (R)

Purchases
Florida Law requires organizations to pay sales tax on the purchase of tangible personal property unless specifically exempt by the Florida Department of Revenue (FDOR). Sales tax is not paid where purchases are directly related to the University’s educational mission. In these instances, the vendor needs to be presented with a copy of the Consumer’s Certificate of Exemption to waive the sales tax. Florida International University needs to provide a copy of its Certificate of Exemption to a vendor in order to avoid paying sales tax on transactions that are entered into in carrying out the mission of the University.

Sales/Taxable Activities
The University is required to collect and remit sales tax for activities/sales identified by the FDOR as taxable.

Generally, most transactions are taxable unless specifically exempted by law. For example, the following transactions require the collection of sales tax:

1. Sales of taxable items at retail.
2. Charges for admission to any place of amusement, sport, or recreation.
3. Rental or lease of personal property.
4. Rental or lease of real property.

If a department is unsure whether an activity gives rise to sales tax, they should contact the Tax Section of the Controller’s Office for further guidance.

Any department which incurs sales tax and fails to report such sales tax as set forth in this policy (and the procedures implementing this policy), shall be required to pay from the department’s funds any back taxes, any applicable FDOR penalties, and any fees and legal expenses, regardless of whether the failure to report is discovered by a University self-audit or a FDOR audit.
RESPONSIBILITIES (O)

Department Head – Responsible for ensuring that the appropriate sales tax is charged at the time of sale, collected and deposited into the correct University account.

University Controller – Responsible for ensuring that the sales tax that is collected by the University is remitted to the FDOR by the appropriate due date.

RESPONSIBLE UNIVERSITY DIVISION/DEPARTMENT (R*)

Office of Finance and Administration
Florida International University

RESPONSIBLE ADMINISTRATIVE OVERSIGHT (R*)

Controller's Office
11200 S.W. 8th Street - CSC 310
Miami, Florida 33199
Telephone: (305) 348-2131

The University Policies and Procedures Library is updated regularly. In order to ensure a printed copy of this document is current, please access it online at http://policies.fiu.edu/.

For any questions or comments, the “Document Details” view for this policy online provides complete contact information.

*R = Required  *O = Optional