



Sales Tax #1110.040

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| INITIAL EFFECTIVE DATE: January 10, 2005 | LAST REVISION DATE: November 12, 2020 | RESPONSIBLE UNIVERSITY DIVISION/DEPARTMENT Office of the Controller |
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POLICY STATEMENT

Florida International University is exempt from paying sales tax on purchases related to its exempt mission (education, research, and public service activities).

It is important to note that although the University is exempt from sales tax on purchases it makes for its own use, this does not relieve the University from its obligation to collect and remit sales tax on taxable transactions. Every person who engages in selling, renting, or licensing tangible personal property and certain services in Florida is exercising a taxable privilege. Transactions are not exempt from sales tax unless expressly exempted by statute. Sales tax should be charged in addition to the selling price and reported separately on the receipt.

SCOPE

This policy applies to the University community making both purchases and sales on behalf of the University.

REASON FOR POLICY

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 taxes in accordance with the provisions of Florida law, Chapter 212, Florida Statutes.

| DEFINITIONS | |
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| TERM | DEFINITIONS |
| Purchases | The purchase of goods, services, rentals, and leases by the University in furtherance of its exempt mission. |
| 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: |



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| | <ol style="list-style-type: none"> 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. <p>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.</p> <p>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.</p> |
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| ROLES AND RESPONSIBILITIES |
| <p>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.</p> <p>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.</p> |

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| RELATED RESOURCES |
| <p>Procedures for Identifying and Reporting Sales Tax - 1110.040a https://policies.fiu.edu/procedure/272</p> <p>Florida Statute - Chapter 212 - Tax on Sales, Use, and other transactions https://www.flsenate.gov/Laws/Statutes/2019/Chapter212</p> |

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| CONTACTS |
| <p>Office of the Controller Edgar Salazar, CPA Associate Controller 11200 SW 8th Street, CSC 410 Miami, FL 33199 Telephone: 305-348-2655 Fax: 305-348-1909</p> |



HISTORY

Initial Effective Date: January 10, 2005

Review Dates (*review performed, no updates*): N/A

Revision Dates (*updates made to document*): January 10, 2005; November 12, 2020



Procedures for Identifying and Reporting Sales Tax # 1110.040a

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| INITIAL EFFECTIVE DATE: | LAST REVISION DATE: | RESPONSIBLE UNIVERSITY DIVISION/DEPARTMENT |
| January 10, 2005 | November 12, 2020 | Office of the Controller |

PROCEDURE STATEMENT

1. The University is required to collect and remit sales tax for activities/sales identified by the Florida Department of Revenue (FDOR) as taxable. Generally, most transactions are taxable unless specifically exempted by law. For example, the following transactions require the collection of sales taxes:
 - a. Sales of taxable items at retail.
 - b. Charges for admission to any place of amusement, sport, or recreation.
 - c. Rental or lease of personal property.
 - d. Rental or lease of real property.

The following is a list of examples of both taxable and non-taxable transaction that may be conducted by the University:

Taxable Transactions

- Annual Membership Fees - Physical Fitness or Recreation
- Binding Fee
- Computer Hardware and Software Sales to Faculty/Staff/Students
- Computer Time
- Concessions - Athletic Events Copyright Fee - Dissertation Duplication/ Photocopying
- Facilities Equipment Use/ Rental Charge
- Food Service/ Sales/ Program
- Game Program Sales
- Game Room Sales (Pool Table, Video Machines) Guest Housing (Non-students)
- Hotel Room Rental
- Locker Rental
- Lost Items - Security Auction Mailing Labels - Internal (No) Medical & Pharmaceutical Supplies
- Merchandise Sales
- Parking Decals
- Parking Meters
- Phone Calls from Hotel Rooms Photographs & Photograph Development Printouts - Census Information
- Publication/ Book Sales
- Rental Fee -Scientific Equipment



Rental of Audio/ Visual Equipment
Rental of Facilities (Including Related Services) Research Animal Sales
Residential Rent - Non-Student
Sale of Aluminum Cans
Sale of Informational Literature (SBDC) Sale of Photographic Services
Sale of Scrap Metal
Sale of Scrap Paper
Sale/ Auction of Surplus Property
Study Guides
Subscriptions
Ticket/ Admission Sales - Athletic Events
Tower Rental - Radio/ TV
Vending Machine Commissions Video Tapes & Audio Tapes, Disks
Volume Feeding - Hospitality Management
Washer/Dryer Commissions

Non-Taxable Transactions

Access/Identification Card Fee, or Passbook
Activity & Service Fees
All Breakage & Lost Library Materials
Annual Membership Fees - Non-Physical Fitness or Non-Recreational
Athletic Guarantees
Attendance Fees - Sports/ Youth Camps - Instruction
Auto/ Bicycle Impound Fine
Bid Deposits
Cadaver Sales
Commission from Travel Agency Computer Line Support - Public Schools Consortium
User Charges
Contract and Grant Awards Copies of Police Reports Equipment Damage and Loss
Fabricate, Modify, Repair Lab & Hospital Equipment
Faculty Advisement Contracts
Fees - Career Fair
Fees - Conferences & Workshops
Fees/Trade Mission Trips
Grant Program Income
Grants & Donations
Guest Housing (Students)
Health Service Fees (Shots, Prescriptions, etc.) Housing Rental Rates - Regular
Housing Telephone Services
Interlibrary Loans/Literature Searches
Library Fines
Lost Keys (Includes Cylinder Change) Material & Supply Fees (Lab Fees) Medical
Laboratory Tests

Medical Services - Clinical/ Not Covered by Health Fee
Medical X-Rays
Microfilm Fee
Off-Campus Educational Activities (Non-Continuing) Parking Fines
Pharmacy Sales (Not Covered by Health Fee) Postage
Refuse Collection
Reimbursement for Utilities (Electrical, Water/ Sewer, Custodial) Residential Rent - Student
Returned Check Fee
Royalties for Documentaries
Royalty Fees for Using University Logo Security Access/ ID Card/ Duplicate Security
Shipping Charges on Sales of
Personal Computers
Soil Analysis
Sponsored Research Awards
Standardized Tests (GRE, URE, LSAT, etc.)
Statistical Analysis Work
Telephone Commissions
Telephone Services Television Revenue (Games) Ticket Master Commissions Transcript Fee
Veterans Registration Administrative Allowance

If the specific transaction is not listed above (either taxable or non-taxable) or you are unsure of the sales tax treatment, contact Tax Compliance Services prior to the transaction taking place for guidance.

2. Florida imposes a 6.0% sales tax rate on the sales of most goods and certain services and the tax is also imposed upon commercial leases and licenses to use real property. In addition, Florida counties can impose a local option surtax on top of the 6.0% and that varies by county. Therefore, the current sales tax rate for the Florida counties in which FIU has taxable activities can be found by clicking on the link below and selecting Sales Tax from the Important links on the Tax Compliance webpage at:
http://finance.fiu.edu/controller/QL_TaxServ.html.

Effective, January 1, 2018, the sales tax rate imposed on commercial leases and licenses to use real property was reduced. Some examples of real property rentals that are subject to tax include (commercial office or retail space, conference rooms, ballrooms, stadiums, arenas, etc.). The current sales tax rate for rental activities for the Florida counties in which FIU has taxable activities can be found by clicking on the link below and selecting Sales Tax from the Important Links on the Tax Compliance webpage at: http://finance.fiu.edu/controller/QL_TaxServ.html.

Once it has been determined that an activity will give rise to sales tax, the department will need to determine if the (nonrental)/general or rental activity sales tax rate will be used and in which Florida county the activity took place.

- a. Here is an example of a general (non-rental) activity taking place in Miami-Dade County. The applicable sales tax due is calculated by multiply the price of the goods or services being provided by 7.0% and adding that amount to the sales price.

Example:

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| Amount Without Sales Tax | \$25.00 |
| Sales Tax @ 7.0% | <u>1.75%</u> |
| Total Amount charged | \$26.75 |

- b. Here is an example of a rental activity taking place in Miami-Dade County. The applicable sales tax due is calculated by multiply the price of rental being provided by 6.7% and adding that amount to the sales price.

Example:

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|--------------------------|-------------|
| Amount Without Sales Tax | \$25.00 |
| Sales Tax @ 6.7% | <u>1.68</u> |
| Total Amount charged | \$26.68 |

- 3. Once the taxable activity has occurred and the department has collected the revenue, the department should deposit the sales tax collected at the Cashier's Office, located at SASC 101, within 48 hours. The sales tax amount should be deposited in Department Number 110401000 using Activity Number 1104120007. The department will select the most appropriate sales tax liability general ledger account from the list of accounts shown on the Sales Tax link of the Tax Compliance webpage at: http://finance.fiu.edu/controller/QL_TaxServ.html.
- 4. The departments with sales tax related activity are responsible for ensuring the appropriate sales tax is charged at the time of sale, collected, and deposited into the correct University account. The Tax Compliance Section of the Controller's Office is responsible for remitting the sales tax monthly by the 20th of the following month.