



University Community (faculty, staff and students)

SUBJECT (R*)	EFFECTIVE DATE (R*)	PROCEDURE NUMBER (R*)
PROCEDURES FOR IDENTIFYING AND REPORTING SALES TAX	July 29, 2019	1110.040a

PROCEDURE STATEMENT (R*)

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 (non-rental)/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:

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:

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.

REASON FOR PROCEDURE (O*)

Florida law states that each sale, admission charge, storage, or rental is taxable (i.e. subject to sales tax) unless the transaction is specifically exempt.

These procedures are set forth to give guidance to the University community when an activity gives rise to sales tax and how to report such transactions, as set forth by the University's policies on sales tax.

RELATED INFORMATION (O*)**DEFINITIONS (R*)****RESPONSIBILITIES (O*)****HISTORY (R*)**

Initial Effective Date: January 10, 2005; **Revision Date:** July 29, 2019

RESPONSIBLE UNIVERSITY DIVISION/DEPARTMENT (R*)

Office of Finance and Administration
Florida International University

RESPONSIBLE ADMINISTRATIVE OVERSIGHT (R*)

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/>.

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For any questions or comments, the "Document Details" view for this procedure online provides complete contact information.

FORMS/ONLINE PROCESSES (O)

Links to the above referenced Form(s) available in the "Document Details" Section of the online version of this policy document.

***R = Required**

***O = Optional**