## Logo_Vertical_4-Color.JPGDETERMINING TAX

**You are required to determine whether tax is due on each of your transactions.** Washington State law requires the University to self-assess “Use Tax” when the vendor does not charge sales tax on a taxable transaction. *The sales tax amount on the Transaction Detail Record does not generally indicate whether tax was collected.* ***You must refer to your corresponding invoice/receipt****.*

**When is use tax due?**

Per the [Department of Revenue Use Tax](http://dor.wa.gov/content/findtaxesandrates/usetax/#Whenis) is due if:

* Goods are purchased in another state that does not have a sales tax or a state with a sales tax lower than Washington’s.  For example, items you purchase in Oregon that are used in Washington are subject to use tax.
* Goods are purchased from someone who is not authorized to collect sales tax.  For example, purchases of furniture from an individual through a newspaper classified ad or a purchase of artwork from an individual collector.
* Goods are purchased out of state by subscription, through the Internet, or from a mail order catalog company.  Many of these companies collect Washington’s sales tax, but if the company from which you order does not, you owe the use tax.
* Personal property is acquired with the purchase of real property.

The field labeled “Usage Tax” needs to be marked with “Y” or “N” to insure that we capture the information needed to comply with the statues:

* Enter “**Y**” to pay use tax if the merchant ***did not*** collect sales tax on the invoice and the merchandise or service is taxable.
* Enter “**N**” if the merchant collected sales tax on the invoice.
* Enter **“N”** if the merchant did not collect sales tax because the merchandise or service is non-taxable.
* For *credits*, enter the same value that you entered when you reviewed the corresponding *charge.*

**Taxable Items** Include:

* In general all products purchased in or out of state
* Equipment rental
* All freight charges, including postage, *associated with* the purchase of merchandise
* Movies & film (purchased or rented)
* Office supplies & materials
* Pre-printed material (except newspapers), subscriptions to magazines, publications, books, catalogues, booklets
* Software and software licenses/maintenance
* Repair & maintenance of equipment

**Non-Taxable** **Items** Include:

* Advertising (including radio advertising)
* Cleaning service for portable toilets
* Direct freight charges from commercial carriers e.g. Federal Express, UPS, etc.
* Hearing aids
* Internet services
* Licenses except software
* Membership and dues
* Permits and permit fees
* Postage
* Registration fees
* Newspaper subscriptions
* Telephone services
* Video Cable
* Royalty payment (renting sheet music or plays w/rights to perform)
* Tickets