

The Purchasing Post

Sales Tax

There is a new sales tax exemption certificate in town. As of November 1, 2009, the new, improved version of the “Kansas Department of Revenue Sales and Use Tax Entity Exemption Certificate” will need to be provided to vendors for all future purchases. The form itself has been physically altered but the basic information remains the same. K-State’s tax exemption number, KSB3464J18, also remains the same but the expiration date is now 11/01/2014. The new, signed version is available through E-forms for departments to fill-in, print, and send to vendors.

On the subject of sales tax, please remember this certificate applies to direct purchases by the entity. When a third party has been hired to perform work at the University and is buying materials on the University’s behalf, a special tax exemption certificate, known as the “Project Exemption Certificate” is required. Construction projects are the primary example of these situations and departments should be working with Facilities to obtain these special sales tax exemption certificates. The PEC is documentation that K-State’s sales tax exempt status extends to the vendor when they are buying lumber, parts, etc. for the University project.

Another aspect of sales tax is paying other states’ sales tax. Do we? Answer is -- it depends on the state. Some states will recognize K-State’s exempt status and accept our form, others have their own form to be submitted, and still others will require the sales tax to be paid. Call Purchasing when the question comes up.

Remember to always identify the purchasing entity as Kansas State University. Problems occur with sales tax being charged because the vendor sees the buyer as an individual, not a tax-exempt organization. This problem seems to occur when buying items over the internet. This is also a reason why the University discourages reimbursing individuals for purchases. Sales tax is paid when we should be exempt.



Training

Reminder:

Kansas Sales and Compensating Use Tax training is scheduled for Tuesday, October 20, at 1:30 pm in the Hemisphere Room of Hale Library. Ronald Grant with KS Dept of Revenue will be the presenter. Pre-registration is required. Visit <http://eforms.ksu.edu/events/register.aspx> to register. Please include your employee ID number, not your position number, when enrolling.

