

**COMPTROLLER POLICY MANUAL**

|   |                                 |  |
|---|---------------------------------|--|
|  | <b>POLICY: CMP 108</b>          |  |
|   | Section: 100 General            |  |
|   | Page 1 of 2                     |  |
|   | Responsible office: Comptroller |  |
|   | Origination date: 01/01/2000    |  |
| <b>Subject: Sales Tax</b>   | Effective date: 01/01/2000      |  |
|   | Revision date: 1/25/2016        |  |

**PURPOSE**

To define university sales transactions subject to Arizona sales tax

**SOURCE**

Arizona Administrative Rules and Regulations, R15-5-101 to R15-5-2237

Arizona Department of Revenue

University Policy

**BACKGROUND**

The university has one Arizona sales tax license covering all taxable sales. Sales tax payments to the Department of Revenue are compiled by the Comptroller's Office. Departments desiring to sell goods or services should contact the Comptroller's Office to determine whether these sales are taxable and, if taxable, for the procedures to be followed.

Responsibility for making inquiries to the Comptroller's Office for sales tax determinations and collection of taxes rests with each university department. The Comptroller's Office responsibility is to facilitate the overall sales tax process and provide guidance to departments.

**CMP 108: Sales Tax**

The university is subject to Arizona sales tax; however, this sales tax does not apply to interdepartmental transactions and sales that are casual or inconsequential at the university level. The sales areas subject to sales tax are listed in the table below.

| State Sales Tax Categories |  | Tax Rate |                  |
|----------------------------|--|----------|------------------|
| Tax Area                   | Definition   |          | Effective 1/1/15 |
| 1. Printing                | Sales of printing apply to job printing, engraving, embossing, and copying.  |          | 6.90%            |
| 2. Retail                  | Retail sales include tangible personal property, except textbooks sold by the NAU Bookstore.                                 |          | 6.90%            |
| 3. Publishing              | Publishing revenues include sales of newspapers, magazines, or other periodicals, including gross income from subscriptions. |          | 6.90%            |

**COMPTROLLER POLICY MANUAL**

|   |                                 |
|---|---------------------------------|
|  | <b>POLICY: CMP 108</b>          |
|   | Section: 100 General            |
|   | Page 2 of 2                     |
|   | Responsible office: Comptroller |
|   | Origination date: 01/01/2000    |
| <b>Subject: Sales Tax</b>   | Effective date: 01/01/2000      |
|   | Revision date: 1/25/2016        |

|                                  |   |  |       |
|----------------------------------|---|--|-------|
| 4. Rental of Commercial Property | Includes rental or leasing of any tangible commercial property. |  | 0.30% |
|----------------------------------|---|--|-------|

**Goods Purchased for Resale**

Goods purchased for resale can be exempt from state sales at the time of purchase.

Departments must collect state sales tax at the time of the retail sale. Additionally, the department must remit the state sales tax collected at the time of the retail sale through the university-wide monthly tax return prepared by the Comptroller's Office.