



TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER

Operating Policy and Procedure

HSC OP: 50.36, **Sales Tax Collection**

PURPOSE: The purpose of this Health Sciences Center Operating Policy and Procedure (HSC OP) is to establish guidelines for the collection and deposit of sales tax in compliance with rules established by the state Comptroller of Public Accounts. This HSC OP describes and lists examples of items on which the collection of sales tax is required and provides general sales tax information.

REVIEW: This HSC OP will be reviewed on November 1 of each odd-numbered year (ONY) by the Director of Accounting Services and the Chief Payroll Officer, with recommendations for revision forwarded through administrative channels to the Executive Vice President of Finance and Operations by December 1.

POLICY/PROCEDURE:

1. General

- a. Texas imposes 6.25 percent state sales and use tax on all retail sales, leases and rentals of most goods, as well as taxable services. Local taxing jurisdictions (cities, counties, special purpose districts and transit authorities) can also impose up to 2 percent sales and use tax for a maximum combined rate of 8.25 percent.
- b. Items sold to other TTUHSC departments or exempt organizations are not taxable. A tax exemption certificate must be obtained from the exempt organization. Exemption certificates are available online at <https://comptroller.texas.gov/taxes/exempt/forms>.
- c. TTU has applied for and obtained a sales tax permit from the State Comptroller of Public Accounts. The sales tax permit allows TTUHSC to charge sales tax on the sale of all taxable items; however, a separate business operation of TTUHSC that sells taxable items should obtain a separate sales tax permit.

Examples of separate business operations of TTUHSC include, but are not limited to the following: spirit shops, convenience stores, pharmacies, service locations (mail, printing), etc. All permits of TTUHSC will have the same taxpayer number; however, each business location will have a different outlet number.

To obtain a sales tax permit, contact Payroll and Tax Services by email at tax.forms@ttu.edu or call 806-742-3211. Sales tax collected on taxable sales by all locations will be remitted to the state Comptroller of Public Accounts by the Office of Tax Compliance and Reporting department as provided in Section 4 below.

- d. Decisions on issues relating to sales tax are based on state of Texas statutes. Current state laws will be followed and they will supersede policies included in this HSC OP.

2. Tax Rate

The current combined sales tax rate is 8.25 percent of taxable sales for sales made in the City of Lubbock. Please refer to this website <https://www.avalara.com/taxrates/en/state-rates/texas/cities/> to determine the appropriate rate for other cities.

The appropriate percentage should be added to all taxable items, or included in the sales price.

