**Policy 415 Sales Tax**

Category: Business Operations

Covered Individuals: All CEI employees

Approved: 10/22/2024

**Policy**

College of Eastern Idaho (CEI) is a non-profit college. As such, CEI is registered with the Idaho Tax Commission for sales tax exemption. CEI also participates in transactions that require sales tax collection. This policy is to align with the Idaho State Tax Commission, guiding sales tax-exempt purchases made with CEI funds and collecting sales tax on CEI sales, prizes, and gifts.

CEI has an active Idaho State Tax Commission Form ST-101, Sales Tax Resale or Exemption Certificate. This certificate allows certain purchases made with CEI funds to be exempt from sales tax. It must be presented prior to or at the time of purchase to qualify for exemption.

CEI has an active Seller’s Permit from the Idaho State Tax Commission. This permit authorizes the collection and remittance of sales tax to the Idaho State Tax Commission. The Business Office files a quarterly return with the Tax Commission and remits all sales tax collected during the quarter.

**Procedure**

The Idaho State Tax Commission is the final arbiter of decisions regarding Idaho sales tax. The current Idaho tax code can be found on the State's website: <https://tax.idaho.gov/taxes/sales-use/online-guide>.

**PURCHASES**

**Determining Sales Tax Exemption**

To qualify for CEI’s sales tax exemption, a purchase must be made using CEI funds and satisfy at least one of the following conditions:

* Item or service will be given away as a prize by CEI
* Item or service will be used for fundraising activities
* Item or service is intended for resale by CEI
* Item or service is for official CEI business purposes

Purchases made using personal funds are not eligible for CEI’s sales tax exemption. Ensure to use CEI funds to make purchases for sales tax exemption eligibility.

The Idaho State Tax Commission Form ST-101 for CEI can be found at the following website [*cei.edu/procurement-services*](file:///C:\Users\heidi.moore\AppData\Local\Microsoft\Windows\INetCache\Content.Outlook\TJ4N0OM2\cei.edu\procurement-services).

**Tax Exempt Purchases**

Purchases that meet the above Sales Tax Exemption may include, but are not limited to:

* Educational supplies
* Office supplies
* Lab supplies
* Membership fees
* Items intended for resale
* Capital Improvements or infrastructure
* Professional Services
* Technology and Software
* Health and Safety Equipment

**SALES**

**Tax Exempt Sales**

Sales by CEI that are considered exempt from sales tax may include but are not limited to:

* The purchaser holds an Idaho State Tax Resale or Exemption certificate
* Room rentals for educational, professional, or religious events, which include:
  + Business meetings
  + Educational classes
  + Fraternal meetings
  + Trade shows
  + Wedding Ceremonies
  + Religious Services
* Room rentals where the renter will charge admission fees
* Raffle Tickets where there is not a guaranteed prize
* CEI club dues
* Donations where a dollar amount is not suggested or mentioned, and people can attend or participate without a fee
* Mechanical handling charges, shop fees, gasoline, and shipping fees

Purchases at Dollar Tree or Home Depot that meet the tax-exempt status must present their designated barcode at the time of purchase. These barcodes can be found at [*cei.edu/procurement-services*](file:///C:\Users\heidi.moore\AppData\Local\Microsoft\Windows\INetCache\Content.Outlook\TJ4N0OM2\cei.edu\procurement-services)*.*

**Tax Collection Sales**

Sales by CEI that necessitate tax collection may include but are not limited to:

* Retail items or services sold by CEI
* Fundraising items or services sold by CEI
* Room rentals for recreational or entertainment uses, which include but are not limited to:
  + Receptions
  + Family Reunions
  + Card Parties, bingo parties, or social nights
  + Dances
  + Meals or picnics
  + Sports activities or competitions

In instances where CEI engages in taxable activities, it shall collect and remit applicable sales tax to the appropriate taxing authorities in accordance with the laws and regulations of the respective jurisdiction.

CEI’s active Seller’s Permit from the Idaho State Tax Commission can be found at [*cei.edu/procurement-services*](file:///C:\Users\heidi.moore\AppData\Local\Microsoft\Windows\INetCache\Content.Outlook\TJ4N0OM2\cei.edu\procurement-services).

**Record Maintenance**

CEI will maintain accurate records of all sales tax transactions, including documentation and remittance of sales tax, as required by law. These records shall be maintained for the time specified by the regulations.

**Violation**

Failure to comply with this policy and procedure may result in suspension and disciplinary action, including termination.