

Collecting, Reporting, and Remitting Sales Tax

Effective Date Wednesday, March 14, 2012

Status Final

Last Revised Wednesday, June 28, 2023

Policy Type [University](#)

Contact Office

[Financial Operations & Tax](#)

Oversight Executive

[Vice President and Chief Financial Officer](#)

Applies To

Academic Division The College at Wise

Table of Contents

[Policy Statement](#)

1. [Collection](#)
2. [Exceptions for Collecting Sales Tax](#)
3. [Reporting Sales Tax](#)
4. [Remittance of Sales Tax Receipts](#)
5. [Responsibilities](#)
6. [Compliance with Policy](#)

[Procedures](#)

Reason for Policy

The University is committed to complying with applicable state and local sales tax laws and regulations.

University requirements have been established for collecting, reporting, and remitting sales tax to avoid penalties for failure to timely file complete and accurate tax returns.

Definition of Terms

Activity Head

The individual responsible for a University unit or department that performs a service.

Economic Nexus

A financial connection between a state and a non-resident seller sufficient to permit the state to assert its taxing authority over the seller (as defined by the US Supreme Court). Economic nexus is established when a seller exceeds the threshold number of transactions and/or dollar amount of sales in a given state. Once economic nexus is established, the state can require the vendor to collect and remit sales tax for products shipped into that state.

Foreign State

Any state or territory in the United States other than the Commonwealth of Virginia.

Tangible Personal Property (1)

Property, other than real property, which may be seen, weighed, measured, felt, or touched, or is in any other manner perceptible to the senses. Under Virginia law, the term "tangible personal property" does not include stocks, bonds, notes, insurance, or other obligations or securities (as defined in VA Code § 58.1-602).

Policy Statement

The University is exempt from paying sales and use tax on most of its purchases, but no similar exemption exists when the University is the seller. Consequently, the University must collect, report, and remit applicable sales tax to the Commonwealth of Virginia and to any state in which it has established economic nexus. Financial Operations & Tax files and remits sales tax on behalf of the University.

1. Collection:

The University monitors foreign state sales to ensure that sales tax is collected and remitted at the correct rate in any jurisdictions where the University has established economic nexus. Departments and activity heads must collect Virginia state and local sales tax on behalf of the University for:

- The sale of all tangible personal property, except for:
 - Textbooks sold to University students; and
 - Retail sales of meals to students or others, if the price of the meals is included in room, board, or tuition and fee charges.
- Any services included in the sale of tangible personal property which are not charged separately.
- The fabrication of tangible personal property for consumers, who furnish, either directly or indirectly, the materials used in fabrication.
- The furnishing, preparing, or serving for a fee of any tangible personal property consumed on the premises of the person furnishing, preparing, or serving such tangible personal property.

2. Exceptions for Collecting Virginia Sales Tax:

Except for tangible services such as restaurant meals and short-term lodging, collection of state and local sales tax is not required for sales of services. Some common examples of non-taxable services include, but are not limited to:

- Professional, insurance, or personal service transactions that involve sales as inconsequential elements which are not charged separately.
- Services rendered by repair persons for which a separate charge is made.
- Services not involving an exchange of tangible personal property which provide access to or use of the Internet and any other related electronic communication service delivered electronically via the Internet.
- The amount separately charged for labor or services rendered in installing, applying, remodeling, or repairing tangible personal property sold.
- Transportation charges separately stated.

[Note: For a complete list of Virginia exemptions, refer to Title 58.1, Chapter 6 of the Virginia Code. For information on exemptions in foreign states, contact Financial Operations & Tax.]

3. **Reporting Sales Tax:**

a. ***Virginia Sales:***

The department or activity head completes the [electronic ST-9 sales tax worksheet](#) and submits it to Financial Operations & Tax on a monthly basis, even if there have been no sales for that month. The ST-9 must be submitted no later than the sixth day of the month following the month covered by the worksheet. A copy must be retained in the department, together with the purchaser sales tax exemption certificates, if any, relating to such sales.

b. ***Foreign State Sales:***

The department or activity head must track and report any sales shipped into foreign states to Financial Operations & Tax. Foreign state sales must be submitted no later than the sixth day of the month following the month of the sale. Financial Operations & Tax will assist in identifying taxable sales in jurisdictions where the University has established economic nexus.

c. ***Late Charges:***

Any department failing to meet the monthly reporting deadline will be charged for any resulting late charges assessed to the University.

4. **Remittance of Sales Tax Receipts:**

Financial Operations & Tax aggregates University sales tax receipts and electronically remits them to the appropriate tax authorities, including the Virginia Department of Taxation with full payment. The expense is charged to the respective departmental revenue accounts to recover the tax payments made on their behalf.

5. **Responsibilities:**

The *department* or *activity head* is responsible for:

- Collecting sales tax when a sale in his/her area is subject to sales tax.
- Submitting to Financial Operations & Tax no later than the sixth day of the following month:
 - Monthly Virginia sales data by completing the [electronic sales tax worksheet](#).
 - Monthly foreign state sales data as required by Financial Operations & Tax.

Financial Operations & Tax is responsible for:

- Aggregating University sales tax receipts.
- Remitting such receipts on a monthly basis to the appropriate state department of taxation.
- Charging the respective departmental revenue accounts to recover the tax amount paid on their behalf.

6. **Compliance with Policy:**

Failure to comply with the requirements of this policy may result in disciplinary action up to and including termination or expulsion in accordance with relevant University policies.

Questions about this policy should be directed to [Financial Operations & Tax](#).

Procedures

[University of Virginia Sales Tax Information](#)

Related Information

[Virginia Department of Taxation, Sales and Use Tax](#)
[Supreme Court Opinion, South Dakota v. Wayfair, Inc](#)
[AICPA Summary of South Dakota v. Wayfair](#)

Major Category [Finance and Business Operations](#)

Next Scheduled Review Sunday, June 28, 2026

Revision History

Updated 6/28/23; 9/25/20; 4/24/18.

Applies To Text

Academic Division and the College at Wise.

Supersedes Policy Text

V.A.3, Responsibility for the Collection, Reporting, and Remittance of Virginia Sales Tax.

Last modified April 19, 2024 - 11:37am

Approved By Policy Review Committee

Approved Date March 31, 2011 - 12:00pm