Purpose:
Community Colleges are subject to retail sales tax or use tax on the purchase of goods and retail services in the same manner as other consumers.

Scope:
This policy pertains to all departments of the College who purchase supplies and other goods and services for use within their department.

Definitions:
Sales Tax: The combined state and local retail sales tax is a tax to the consumer of retail goods and services.

Use Tax: Use tax is a tax on the use of goods or certain services in Washington when sales tax has not been paid.

Policy or Procedure:
1. Current sales tax rates can be obtained from the Department of Revenue at http://www.dor.wa.gov/content/taxes/ As of September, 2004 current rates for Auburn/King County are as follows:
   - Local Rate – .019
   - State Rate - .065
   - RTA - .004
   - Combined Rate .088

2. Goods and services purchased from Washington state companies/agencies should be billed to the college with sales tax included on the invoice. Following is a sample list of items that are taxable when purchased by a college department:
   a. Supplies
   b. Equipment
   c. Magazine Subscriptions
   d. Certain Services, as defined by Title 82 RCW, Excise Taxes, or as described by publications issued by the Washington State Department of Revenue.

   Sales/Use tax is added to the purchase price of taxable goods and services and is included in the amount that is charged to a department for a particular purchase.
3. Taxable goods and services that are purchased from out-of-state, or are purchased from a Washington state company/agency where sales tax is not included or is less than the applicable King County rate, will have use tax added by the Purchasing Department of the College. Use tax will be included in the amount that is charged to a department for a particular purchase. Departments will not be notified when use tax is added to their purchase.

4. Purchases that are made for resale, such as those made by the Bookstore, will be exempted from the sales tax if a Resale Certificate has been provided by the college to the seller. Resale Certificates can be obtained at [http://www.dor.wa.gov/content/forms/](http://www.dor.wa.gov/content/forms/).

5. The college accumulates and remits sales and use tax to the Washington State Department of Revenue on a monthly basis. The college reports to the Department of Revenue using UBI #171-004-565.

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**Specific Authority:** Title 82 RCW, Excise Taxes

**Law Implemented:**

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**History of Policy or Procedure**
Draft: November 16, 2004
Adopted: April 5, 2005
Revised:
Reviewed by:
Contact: Teresa Collins, Controller, ext. 3356
President’s Staff Sponsor: Rick Brumfield, Vice President for Business Affairs, ext. 3305