

New York State Sales Tax Issues

1. One of the most confusing issues is the taxable / non-taxable status of various items and events
2. Extraclassroom Activity Funds are considered a separate and distinct entity from the School District. Section 1116(A)(1) of the NYS Sales Tax Law specifically states that:
 - A) ECA's are not exempt from paying sales tax
 - B) ECA's can not use District's tax exempt number for purchases
3. As a general rule: when items purchased are intended to be resold, a resale certificate should be given to vendor to avoid paying sales tax on purchase
4. When items are sold, the sales tax can either be included in sales price or added to it.
5. When proceeds from sales are given to Central Treasurer for deposit, the document prepared by the Student Treasurer and Faculty Advisor should identify:
 - A) Source of Funds
 - B) Portion representing NYS Sales Tax
6. For items purchased by an activity for final consumption, sales tax must be paid to vendor at time of purchase.
7. Payment of all sales tax collected should be remitted to NYS on a quarterly basis on NYS Sales Tax Form ST - 100.

New York State Sales Tax Issues (Continued)

The following events/activities are exempt from sales tax:

- Admission charges to events for performing arts (Band, Drama, Concerts)
- Services for cutting or styling hair (not hair pieces)
- Sale of periodicals or newspapers
- Sale of food or beverage to students by a facility located on school premises (does not apply to sale of candy or soda, or sale of prepared foods by activity clubs or sales to non-students)
- Sale of U.S. flags
- Sale of Advertising space
- Bake sales
- Charges for services for repairing, maintaining, or servicing farm machinery
- Potato chips
- Pretzels
- Sale of popcorn in a “cold” state

New York State Sales Tax Issues (Continued)

The following events/activities are not exempt from sales tax:

- Candy or soda sales
- Admission charges to social dances (limited exceptions)
- Bookstore sales (unless specifically exempt)
- Yearbook sales, unless the entire cost of the yearbook is underwritten by the Board of Education and the revenue is returned to the General Fund, this sale would then be tax exempt.
- Sale of manufactured items, such as jewelry, clothing, furniture, etc.
- Sale of artistic items, such as sketches, paintings, recordings, etc.
- Sale of animals, trees, shrubs, plants, and seeds
- Sale of raw materials, such as wood and metal
- Sale of popcorn in a "heated" state
- Spaghetti dinners and catered meals
- Vending machine sales-food items placed inside eating facilities (lunch room), unless no eating facilities are provided then they are tax exempt.