



## Use Tax Worksheet Instructions

The University is NOT exempt from paying California Sales Tax, therefore, as you place an order with the supplier/merchant, you should emphasize that the purchase MUST include sales tax. It is the Cardholders responsibility to made sure it is included on every transaction.

Some out of state suppliers do not charge California State Sales Tax. It the University's responsibility to file a return and remit directly to the State Board of Equalization any Use Tax on these purchases. It is, therefore, the Cardholders responsibility to document this for the Accounting Department. The current tax rate is 7.875% of the purchase price, excluding "freight" and "handling". As you receive EACH invoice, you should review it carefully to verify that the Sales or Use Tax has been included. If it has not, you need to complete the "Procurement Use Tax Worksheet" by listing the supplier name, their State, the TAXABLE portion of the purchase price and the amount of tax. For example,

<u>Supplier/Merchant Name</u>	<u>State</u>	<u>Price</u>	<u>Tax</u>
Texas Instruments Corp	Texas	395.00	31.11

**NOTE:** Should "freight" and/or "handling" be included, be sure to deduct and calculate the tax on the total purchase price only.

When you receive your statement, you will need to complete the "Procurement Use Tax Worksheet" for out of state purchases, if applicable. The statement and worksheet must be submitted to your Cardholder Approving Official for signature before being sent to Accounting.