

**CARROLL COUNTY
PUBLIC SCHOOLS**

Sales & Use Tax Manual for Schools



125 North Court Street ♦ Westminster, MD 21157
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Prepared by the Department of Finance and Administrative Services

Purchases

Overview

The State of Maryland has issued a sales tax exemption to the Carroll County Board of Education. Here are some facts about the exemption certificate.

- All Carroll County Public Schools have the same exemption number.
- Each school is required to contact the Finance Office for a copy of the certificate.
- It may be necessary to present the certificate to the vendor at the time of purchase for the exemption to apply.
- The certificate may be used anywhere in the State of Maryland but may not be used outside of the State.

Exempt Purchases

In order for a purchase to be exempt, the

- **purchase must be for materials, supplies, equipment and furniture used to carry on the work of Carroll County Public Schools and/or the individual school,**

Examples of some tax-exempt purchases are as follows:

- ✓ Books, magazines and periodicals
 - ✓ Health room supplies
 - ✓ Office supplies, equipment and furniture
 - ✓ Classroom supplies, equipment and furniture
 - ✓ Custodial supplies such as paper towels, soap, buckets, mops, broom and floor equipment
 - ✓ Equipment/Property maintenance and repair supplies
- the purchased item must become the property of CCPS/school,
 - the **vendor may need to see an actual copy of the exemption certificate.**

PTAs, PTOs, and Booster Groups

PTAs, PTOs, and booster groups are totally separate organizations from CCPS. They have their own set of tax rules and regulations and should consult their tax advisor, not CCPS, on their tax responsibilities.

Individual Teachers

May an individual teacher use the school's exemption certificate?

YES

- If the teacher is purchasing items for their classroom or for the school.

NO

- If the teacher is purchasing items that will become his or her property, even if used in the classroom, he/she may NOT use the school's exemption certificate.

Sales

Some sales made by the schools are subject to the 6% Maryland Sales and Use tax. Contrary to popular belief, there is ***no exemption to collect tax*** just because the sale is made by a non-profit organization. The term *exempt* applies to *purchases*, not sales.

Registering to Pay Sales and Use Taxes

In Maryland, paying sales and use taxes is done electronically. A school must register electronically in order to do so. Please go to the Comptroller of Maryland website and follow the instructions there for bFile.

In order to complete the application, you will have to submit the following information:

- The Federal Employer Identification Number for Carroll County Public Schools, which is 52-6000911,
- The location address and telephone number where the records will be kept, and
- The school's checking account number

Once the organization is registered, it is issued a Maryland Sales and Use Tax License.

Purpose of the Sales and Use Tax License

The purpose of a Maryland sales and use tax license is that it gives the school the authority to collect the Maryland Sales and Use Tax and remit it to the Comptroller of Maryland.

Reporting

Schools will report on a monthly, quarterly, semi-annual or annual basis. You must always report, even if you have no taxes to remit. If you have no taxes to report and remit at the end of your filing period, you can file online or by phone. Call (410) 260-7225.

Completing the On-line Form

Use the electronic Sales Tax Worksheet which will complete a template of what the return should look like.

Vending Machines

CCPS does not have any of its own vending machines. All of CCPS's vending machines are operated by outside vendors. These outside vendors are responsible for submitting the appropriate sales and use taxes to the State of Maryland.

Non-Taxable Sales

Sales that are made by a student group for fundraising purposes are tax exempt.

In addition, some sale items are always non-taxable, even if they are not sold by a student group for fundraising purposes.

Some examples include:

- cookies, pies, cheesecakes
- milk, fresh fruit, fresh vegetables, yogurt, and juice
- medications
- feminine hygiene products
- unprepared grocery items (pizza kits, popcorn kernels, cookie dough)
- bake sale items
- magazine subscriptions sold by clubs, classes for fundraisers
- photography lab fees
- birthday book club fees
- transcript fees
- parking permits
- spirit cards
- Entertainment Books

Other

- Provide vendors with a resale certificate if they request it.
- Show the sales tax as a separate line item on the customer's receipt.
- Save all invoices and receipts for a period of at least 7 years.
- File the sales tax report in a timely manner to save money (there is a discount for early Filing)!
- Rentals and leases are considered sales and are subject to sales tax. Each individual rental/lease payment is considered an individual sale

Questions

- Comptroller's website:
<http://business.marylandtaxes.com/taxinfo/salesanduse/default.asp>
- Comptroller's Baltimore Branch Office
301 West Preston Street, Suite 206
Baltimore, MD 21204
- Joe Varrone, CCPS School Based Training and Support Accountant, (410) 751-3081