Arizona Transaction Privilege and Use Tax

Tax Services
February 2025

Financial Services

Welcome to Arizona!

Arizona is one of the top 5 most complicated states when it comes to regulation surrounding sales and use tax.

- The name

- The statutes

- The broad definitions

- The narrow definitions

- The return

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DEFINITION – TRANSACTION PRIVILEGE TAX (TPT)

Commonly referred to as "sales tax," TPT is tax on the retail sale of tangible personal property (TPP) AND services.

Retail Sale: a sale to the end user

End User: each state defines it differently
Special Case – in AZ, a MRRA contractor is an end user while a contractor providing modification generally is not.

Tangible: in AZ, something that can be perceived by the senses (touch, taste, sight, sound, or smell)
Special case – in AZ, software is tangible personal property regardless of delivery method.
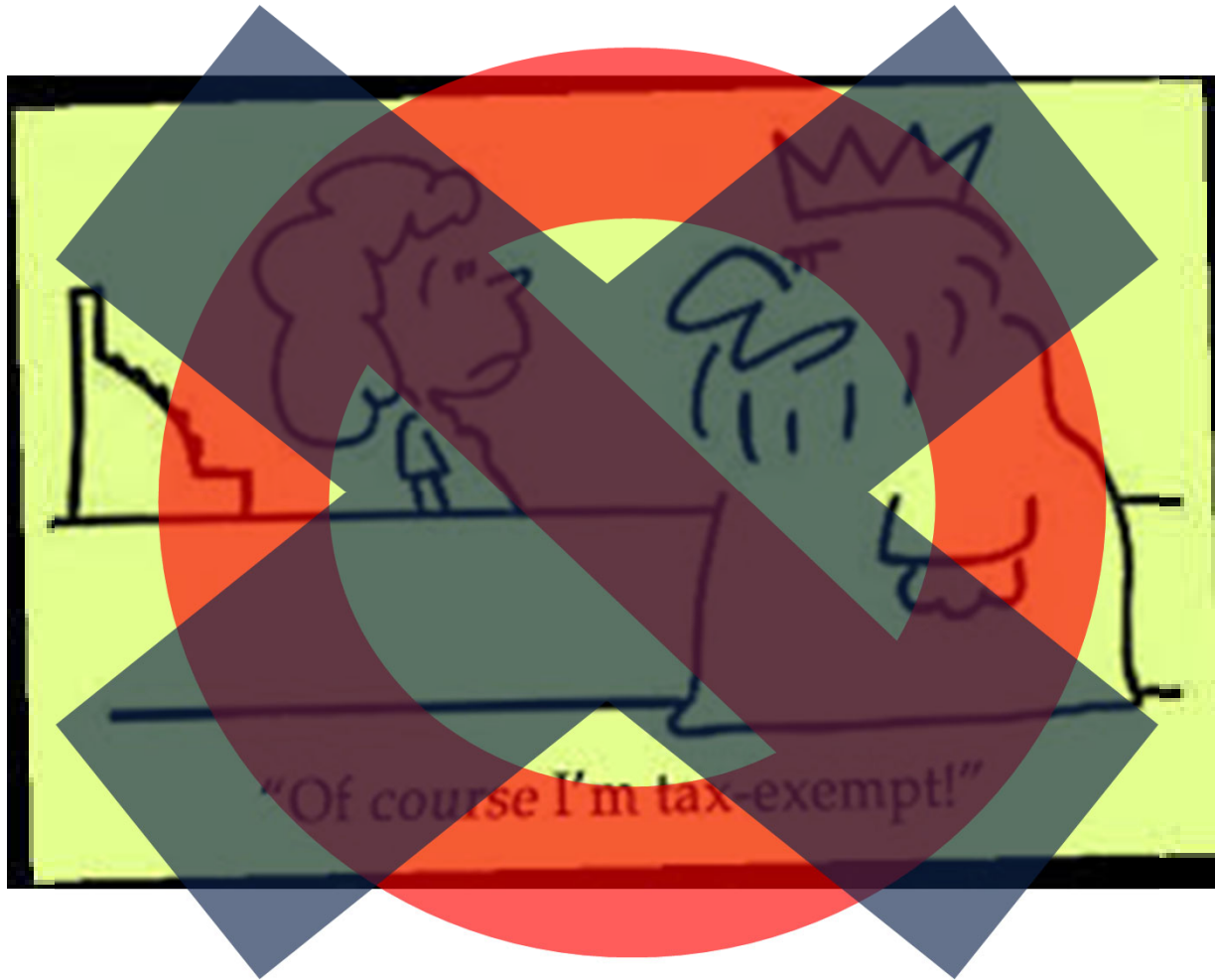
Personal Property: not land or building or attached to land or building
Special case – in AZ, counters in a bank, though attached, are personal property.

Services: intangible, cannot be stored or transported, come into existence at time of purchase

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THE UNIVERSITY IS NOT EXEMPT FROM SALES/USE TAX!

THE "GENERAL" RULES

The University is <u>not</u> a non-profit organization and is <u>not</u> exempt from sales and use tax!!!

- **Sales to a non-profit organization (University as vendor)**
    Generally, taxable

- **Sales by a non-profit organization (University as end user)**
    Generally, exempt

- **Goods**
    Generally taxable unless specifically exempt

- **Services**
    Generally taxable unless specifically exempt as either:
    - Professional and personal service occupations where transfers of TPP are inconsequential elements, OR
        i.e.: CPAs, lawyers
    - Services rendered in addition to selling TPP at retail
        i.e.: delivery of TPP

Examples of taxable services include transportation, utilities, telecommunications, a photographer's services and amusements.

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SALES TAX RATES

For transactions involving retail, restaurants, utilities, communications, job printing, publication, rent of personal property, amusements, etc…

- **AZ State portion – 5.6%**

- **Pima County (varies by county) portion – 0.5%**

- **Tucson (varies by city) City portion – 0% when University is the seller**
  - The University is exempt from collecting city tax from its customers, but:
- **Tucson (varies by city) City portion – 2.6%-4.5% when University is the buyer**
  - The University pays 2.6% to vendors – retail, restaurants, communications, job printing, publication, rent of personal property and amusements
  - The University pays 2.6%-4.5% to vendors - public utilities

- **ADOR's rate tables: https://azdor.gov/transaction-privilege-tax/tax-rate-table**

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SALES TAX RATES - SUMMARY

Description	Tax % (when University selling)	Tax % (when University buying)
AZ State	5.60%	5.60%
Pima County *	0.50%	0.50%
Tucson City *	0%	2.6% - 4.5%
Total *	6.10%	8.70% - 10.60%

* These rates vary when buying or selling from or to different counties or cities/towns

UNIVERSITY AS A SELLER

We work together to properly collect and remit TPT.

Department's responsibilities:

- Identify taxable sales for Arizona customers
- Collect and file customer's tax exemption certificates (Arizona Form 5000 or Form 5000A for resellers)
- Collect the correct tax
- Use proper taxable and non-taxable object codes (refer to Financial Services Manual 8.11 Sales Tax)
- Deposit revenue and tax in University accounts
- Maintain detailed records of sales activities

Financial Services' responsibilities:

- Prepare TPT return
- Remit tax receipts to the State of Arizona
- Provide guidance to Departments

UNIVERSITY AS A SELLER
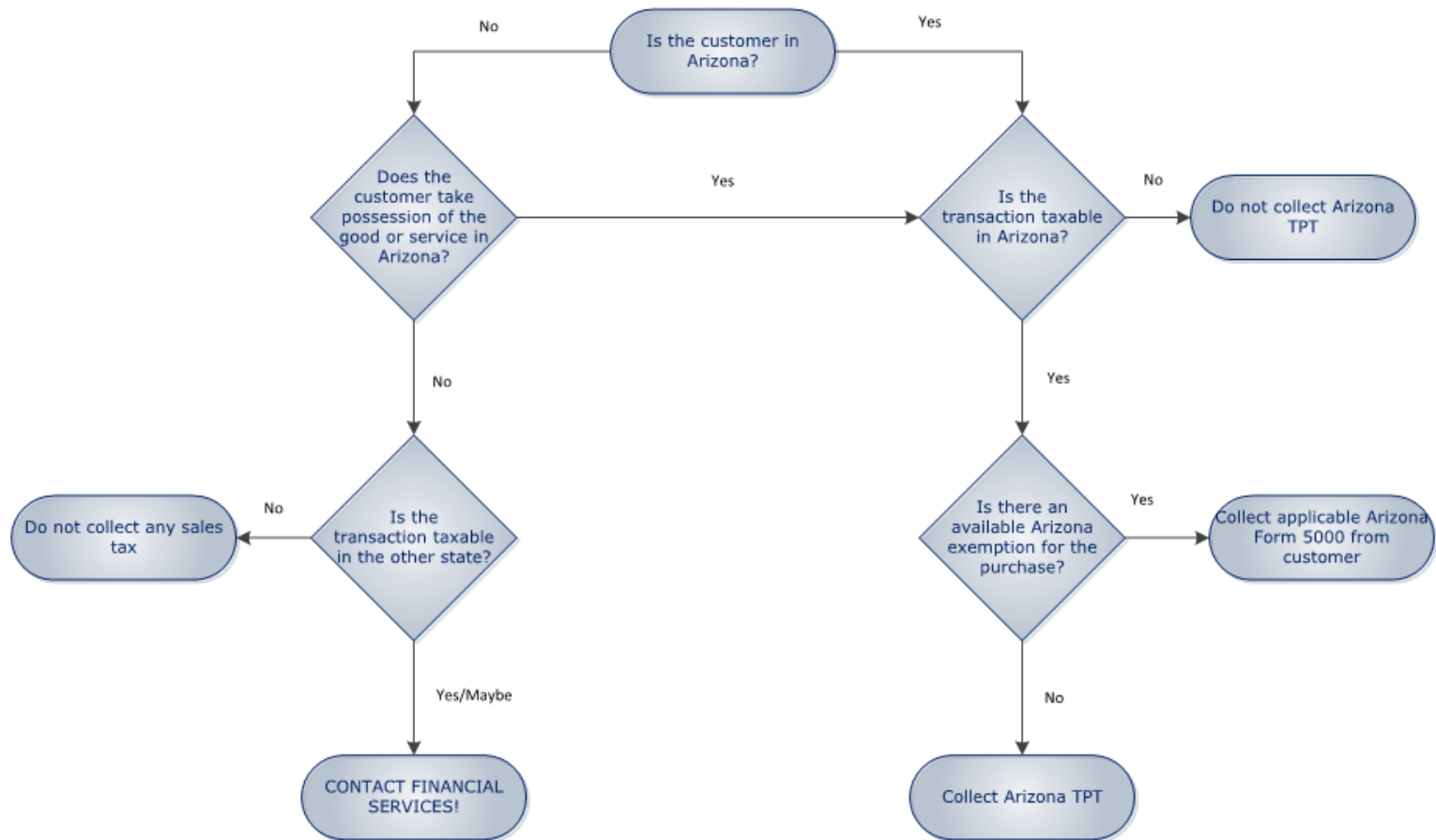
DEFINITION – USE TAX

Use tax is a self-assessed tax on tangible personal property (TPP) used, stored, or consumed in Arizona where:

- The purchase is taxable in Arizona, and
- Sales tax, or equivalent, was not levied by the vendor
- Example:
    Purchase of TPP shipped to Arizona from an out of state vendor who does not have an Arizona TPT license
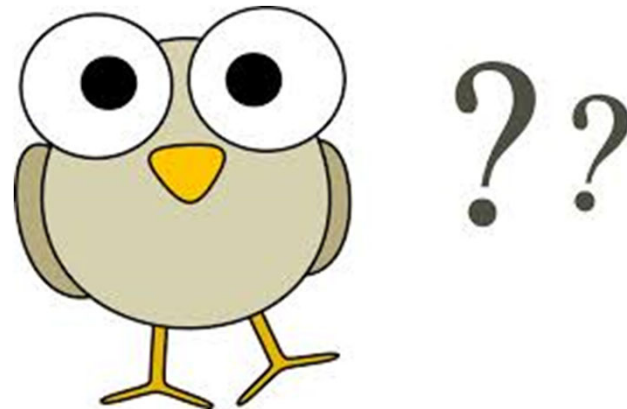
USE TAX RATE

- AZ State – 5.60%

- Counties generally do not impose use tax

- The University of Arizona is not subject to city tax

SALES OR USE TAX?

How do you know if it's sales tax or use tax, and does it make a difference?

- Sales and use tax are complementary
- Pay only sales tax or use tax
- Vendors charge and collect/remit sales tax
- Use tax is self assessed and remitted

Let's practice! Use tax or no use tax?

- Office supplies shipped to AZ from FL, vendor did not charge sales tax
- Cab fare receipt from MA, not sure if sales tax was charged
- Software accessed on a CA vendor's website, vendor did not charge sales tax
- Restaurant in AZ, vendor charged sales tax

- USE TAX
- NO USE TAX
- USE TAX
- NO USE TAX

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WHAT IS SALES TAX NEXUS?

Factors that can create nexus:

- Renting or owning property
- Business presence in the state
  - Trade shows (except Nevada/ Florida)
- Presence of agents/contractors/employees
- # of transactions/ $ sales thresholds

Consequence(s) of having nexus:

- Register as a retailer in that state
- Collect taxes (University wide)
- File returns (minimum 1 year)
- Remit payment to the state

Departmental responsibility:

- Talk with Financial Services before you plan to:
  - Travel out of state to make sales
  - Have a distributor or warehouse in another state

Nexus means connection, or linkage

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TRAVEL OUT OF STATE

States with no sales tax:	States with available travel exemptions:
● Alaska	● Florida
● Delaware	● Kansas
● Montana	● Maine
● New Hampshire	● North Dakota
● Oregon	

Requirements to use a travel exemption:
- Pre-payment by the University directly
- Certificates and instructions in Financial Services Manual 14.72 Out-of-State Sales Tax Exemptions

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NON-TAXABLE SERVICES IN ARIZONA

Professional/personal services where transfer of TPP is an inconsequential element
- Remember, many services are specifically taxable, such as:
  - Transportation, utilities, telecommunications, and photographer's services

Services rendered in addition to selling TPP at retail
- i.e.: Repair/maintenance and installation services, unless:
  - Taxable if not separately disclosed on invoice
  - Taxable if installation is to be attached to real property

Shipping services/freight charges, unless:
- Taxable if handling is included (Use object code 3880 for Shipping & Handling)

Warranty services/service contracts
- Be careful, if related to software or other tangible personal property, it MAY be taxable

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NON-TAXABLE TANGIBLE PERSONAL PROPERTY IN ARIZONA

- Textbooks/required course materials purchased/sold by Campus Store

- Printed and other media materials made available to the public by University Libraries

- Medically prescribed drugs, equipment or devices

- Purchases for resale where tax will be collected at sale to end user (Use Arizona Form 5000A)

- Machinery and equipment, or chemicals used for research and development as defined for this purpose

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NON-TAXABLE TRANSACTIONS IN ARIZONA

- Unprepared food for home (human) consumption

- Conference registration fees

- Professional membership dues

- Internet access

- Others as set forth in statutes ARS 42-5061 (sales tax) or ARS 42-5159 (use tax)

  http://www.azleg.gov/arsDetail/?title=42

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ARIZONA'S DEFINTION OF RESEARCH & DEVELOPMENT (R&D) USE

What it is:
- Research and development means basic and applied research in the sciences and engineering, and designing, developing or testing prototypes, processes or new products, including research and development of computer software that is embedded in or an integral part of the prototype or new product or that is required for machinery or equipment otherwise exempt under this section to function effectively.

What it isn't:
- Research and development do not include manufacturing quality control, routine consumer product testing, market research, sales promotion, sales service, research in social sciences or psychology, computer software research that is not included in the definition of research and development, or other non-technological activities or technical services.

What qualifies for R&D exemptions:
- ONLY machinery or equipment, and chemicals.

What doesn't qualify for R&D exemptions:
- Everything else. Expendable materials, supplies, hand tools, janitorial equipment or tools, office equipment, furniture, shops or buildings and vehicles are specifically taxable.

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SOFTWARE QUALIFYING AS MACHINERY OR EQUIPMENT USED IN QUALIFYING R&D

In **specific cases**, software used in qualifying R&D can qualify as machinery or equipment for the purposes of a tax exemption. In cooperation with ADOR, these 4 examples of potentially exempt software were developed:

- Proprietary software required for machinery or equipment exempt for R&D use to function effectively, as intended, or at all.

- Software used to manage and/or control specific tasks conducted on machinery or equipment exempt for R&D use.

- Software used as the most efficient means to compile and process generated data to create information, and further, knowledge applicable within the context of the R&D performed.

- Software containing protocols, approved by the American Association for Laboratory Animal Science, outlining how the R&D complies with federal animal welfare regulations involving vertebrate animals utilized in research and development, and to ensure the responsible conduct of research. The software must be necessary to ensure adequate care and compliance with federal regulations for the animals.

Administrative software used in qualifying R&D is taxable. Software that manages labs, assists with scheduling or supply management, provides methods for researchers to request services, or is used in quality control, as well as any other use not described above, is taxable.

MACHINERY OR EQUIPMENT USED IN QUALIFYING R&D

- **Machinery or equipment used in qualifying R&D is tax exempt**
  - Must be 100% research use over the life of the asset
  - Dollar amount is not a factor

- **Machinery or equipment does not include:**
  - Expendable materials and supplies
  - Office equipment, furniture or supplies
  - Hand tools
  - Janitorial equipment
  - Licensed motor vehicles
  - Shops, buildings, depots

- **Taxable supplies can be identified by one or more of the following:**
  - Supplies wear out in the R&D process and/or are used up or consumed in use (regardless of cost or useful life)
  - Supplies are by design and use expendable
  - Supplies typically have a useful life of less than one year
  - Supplies are often purchased in multiples (cases, packs, etc.)
  - Supplies are more economical and/or likely to be replaced versus repaired

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MACHINERY OR EQUIPMENT USED IN QUALIFYING R&D

- Recall, R&D for the purposes of a tax exemption does not include:
  - Research in the social sciences
  - Research in Psychology
  - Routine consumer product testing
  - Non-technological activities or technical services

- PCs, laptops and portable devices are almost never exempt due to implied administrative function

- Repairs or replacement parts for qualifying R&D equipment are exempt

- Leases or rentals of qualifying R&D equipment are exempt

- ARS 42-5061(B)(15) is used to claim this exemption from sales tax

- ARS 42-5159(B)(15) is used to claim this exemption from use tax

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CHEMICALS USED IN QUALIFYING R&D

- Chemicals used directly in qualifying R&D are tax exempt

- Exempt chemicals cannot be used or consumed in:
  - Packaging
  - Storage
  - Transportation

- The researcher most familiar with the item must determine whether it is a "chemical"

- ARS 42-5061(A)(38) is used to claim this exemption from sales tax

- ARS 42-5159(A)(35) is used to claim this exemption from use tax

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SOFTWARE

Purchase of standard, pre-written or "canned" software:
- Almost never* exempt – In Arizona, software is taxable TPP, regardless of delivery method, except when:

In-store

Download

Cloud

Vendor Server

*Acquisition of customized software:
- The software does not previously exist
- The software is designed exclusively to the specifications of a unique University application
- Not taxable as a purchase of professional/personal services where development is the consequential element
- Modification of standard software at installation does not make it custom
- Selection of specific modules and not others does not make standard software custom

*Acquisition (by a State community college or university) of remote software applications that either:
- Are designed to assess or test student learning, or
- Promote curriculum design and enhancement
- ARS 42-5061(A)(53) is used to claim this exemption from sales tax
- ARS 42-5159(A)(50) is used to claim this exemption from use tax

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HARDWARE & SOFTWARE SERVICES

Services such as analysis, design, repair, and support engineering:
- Not taxable

Maintenance and warranty agreements for hardware and software:
- Generally, not taxable if:
  - Sold as a separate item, with
  - The price stated separately, and
  - Do not include tangible personal property (TPP) for no additional cost

Software maintenance agreement including automatic updates, upgrades, modification or revisions to standard software:
- As taxable as original acquisition of software

CLAIMING TAX EXEMPTION FROM A VENDOR

Vendors must document tax exempt transactions:
- Tax exemption certificates (Arizona Form 5000, or Arizona Form 5000A for resale purchases) are required and provide:

  - The University's Federal Tax ID (74-2652689), and
  - AZ TPT License Number (20221243), and
  - Claim of specific applicable exemption, and
  - Description of purchase, and
  - Signature of individual authorizing purchase

Requisition/Purchase Order exemption certificate process:
- Provided to vendor (prior to transaction) by PACS for a Requisition/Purchase Order where an applicable exemption is claimed and noted, and item types are selected as tax exempt

PCard exemption certificate process:
- Provided to vendor (prior to transaction) by the department for a PCard purchase
- Signed by departmental individual who authorizes or attests to the applicable exemption
- Certificates and instructions are located on the Financial Services - Tax Services – Sales Tax Exemption Certificates webpage.

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Arizona Form 5000

Transaction Privilege Tax Exemption Certificate

- Do not use Form 5000 to claim sale for resale. Use Form 5000A.
- Do not use Form 5000 if you are a non-TPT licensed contractor. Use Form 5000M.

This Certificate is prescribed by the Department of Revenue pursuant to A.R.S. § 42-5009. The purpose of the Certificate is to document and establish a basis for state and city tax deductions or exemptions. It is to be filled out completely by the purchaser and furnished to the vendor at the time of the sale. The vendor shall retain this Certificate for single transactions or for the specified period as indicated below. Incomplete Certificates are not considered to be accepted in good faith. Only one category of exemption may be claimed on a Certificate.

A. Purchaser's Name and Address:

Purchaser's Name

Address

City　　　　　State　　ZIP Code

Purchaser's Email (Optional)

Vendor's Name

B. Check Applicable Box:

☐ Single Transaction Certificate

☐ Period From _____ Through _____

(You must choose specific dates for which the certificate will be valid. You are encouraged not to exceed a 12 month period. However, a certificate will be considered to be accepted in good faith for a period not to exceed 48 months if the vendor has documentation the TPT license is valid for each calendar year covered in the certificate.)

Purchaser's Telephone Number (Optional)

C. Choose one transaction type per Certificate:

☐ **Transactions with a Business**

Arizona Transaction Privilege Tax (TPT) License Number

SSN / EIN

Other Tax License Number

If no license, provide reason:

Precise Nature of Purchaser's Business

☐ **Transactions with Native Americans, Native American Businesses and Tribal Governments (See reason #14.)**

Tribal Business License Number　OR　Tribal Number

Name of Tribe　　　　　　Tribal Government ☐

☐ **Transactions with a U.S. Government entity (See reasons #9 and #10.)**

☐ **Transaction with a Foreign Diplomat (See reason #15.)**

D. Reason for Exemption:

Check the box indicating one of the more common exemptions provided below, or use Box 16 or 17 to cite the appropriate authority for another exemption (deduction). Refer to *www.azdor.gov/Forms/TransactionPrivilegeTax.aspx* for a complete list of state and city exemptions (deductions) and the business classes (codes) under which the deductions apply.

☐ 1. Tangible personal property to be leased or rented in the ordinary course of the purchaser's licensed business.

☐ 2. Tangible personal property to be incorporated into a taxable contracting project, or a maintenance, repair, replacement or alteration project.

☐ 3. Food, drink, or condiments purchased by a restaurant business.

☐ 4. Pipes or valves four inches in diameter or greater to be used for transportation of oil, natural gas, artificial gas, water or coal slurry.

☐ 5. Railroad rolling stock, rails, ties, and signal control equipment.

☐ 6. Machinery and equipment sold or leased and used directly in the following business activities:

　☐ Manufacturing, processing or fabricating.　☐ Job printing.　☐ Refining or metallurgical operations.
　☐ Extraction of ores or minerals from the earth for commercial purposes.
　☐ Extraction of, or drilling for, oil or gas from the earth for commercial purposes.

☐ 7. Income Producing Capital Equipment to be leased. **NOTE:** Cities only - See M.C.T.C. 110 for definitions.

☐ 8. Food, drink or condiments for consumption within the premises of any prison, jail or other institution under the jurisdiction of the state department of corrections, the department of public safety, the department of juvenile corrections or a county sheriff. Food, drink, condiments or accessories purchased by a school district for consumption at a public school within the district during school hours.

☐ 9. Tangible personal property sold or leased directly to the United States Government or its departments or agencies by a manufacturer, modifier, assembler or repairer. (Retail, personal property rental and mining classifications only.)

☐ 10. Fifty percent of the gross proceeds or gross income from the sale of tangible personal property directly to the United States Government or its departments or agencies. (Retail classification only.)

ADOR 10308 (9/21)

ARIZONA FORM 5000

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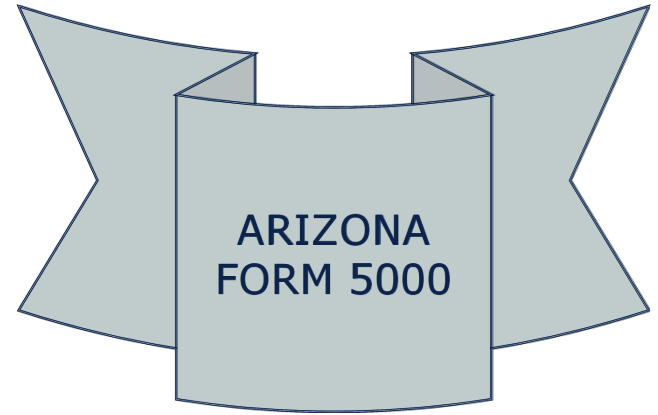
Your Name (as shown on page 1)	Arizona Transaction Privilege Tax License Number

☐ 11. Electricity, natural gas or liquefied petroleum gas sold to a qualified manufacturing or smelting business. A manufacturing or smelting business that claims this exemption authorizes the release by the vendor of the information required to be provided to the Department of Revenue pursuant to A.R.S. § 42-5063(C)(6). **NOTE:** It is recommended that the purchaser attach the worksheet from the Transaction Privilege Procedure (TPP 18-1). (Utilities classification only.) (Not available for all Cities.)

☐ 12. Electricity or natural gas to a business that operates an international operations center in this state and that is certified by the Arizona Commerce Authority. **NOTE:** Certification must be attached. (Utilities classification only.) (Not available for all Cities.)

☐ 13. Computer data center equipment sold to the owner, operator or qualified colocation tenant of a computer data center that is certified by the Arizona Commerce Authority pursuant to A.R.S. § 41-1519. **NOTE:** Equipment must qualify and certification must be attached.

☐ 14. Sale or lease of tangible personal property to affiliated Native Americans if the order is placed from and delivered to the reservation. **NOTE:** The vendor shall retain adequate documentation to substantiate the transaction.

☐ 15. Foreign diplomat. **NOTE:** Limited to authorization on the U.S. Department of State Diplomatic Tax Exemption Card. The vendor shall retain a copy of the U.S. Department of State Diplomatic Tax Exemption Card and any other documentation issued by the U.S. Department of State. Motor vehicle purchases or leases must be pre-authorized by the Office of Foreign Missions ("OFM"). See "Vehicle Tax Exemption" at **www.state.gov/ofm/tax/**

☐ 16.*Other Deduction: Cite the Arizona Revised Statutes authority for the deduction. A.R.S. § _____
    Description:

☐ 17.*Other Cities Deduction: Cite the Model City Tax Code authority for the deduction. M.C.T.C. § _____
    Description:

*Refer to **www.azdor.gov/TransactionPrivilegeTax(TPT)/RatesandDeductionCodes.aspx** for a complete list of state and city exemptions (deductions) and the business classes (codes) under which the deductions apply.

E. Describe the tangible personal property or service purchased or leased and its use below.
   (Use additional pages if needed.)

F. Certification

A vendor that has reason to believe that this Certificate is not accurate or complete will not be relieved of the burden of proving entitlement to the exemption. A vendor that accepts a Certificate in good faith will be relieved of the burden of proof and the purchaser may be required to establish the accuracy of the claimed exemption. If the purchaser cannot establish the accuracy and completeness of the information provided in the Certificate, the purchaser is liable for an amount equal to the transaction privilege tax, penalty and interest which the vendor would have been required to pay if the vendor had not accepted the Certificate. Misuse of this Certificate will subject the purchaser to payment of the A.R.S. § 42-5009 amount equal to any tax, penalty or interest. Willful misuse of this Certificate will subject the purchaser to criminal penalties of a felony pursuant to A.R.S. § 42-1127(B).

I, (print full name) _____, hereby certify that these transactions are exempt from Arizona transaction privilege tax and that the information on this Certificate is true, accurate and complete. Further, if purchasing or leasing as an agent or officer, I certify that I am authorized to execute this Certificate on behalf of the purchaser named above.

_____   _____   _____
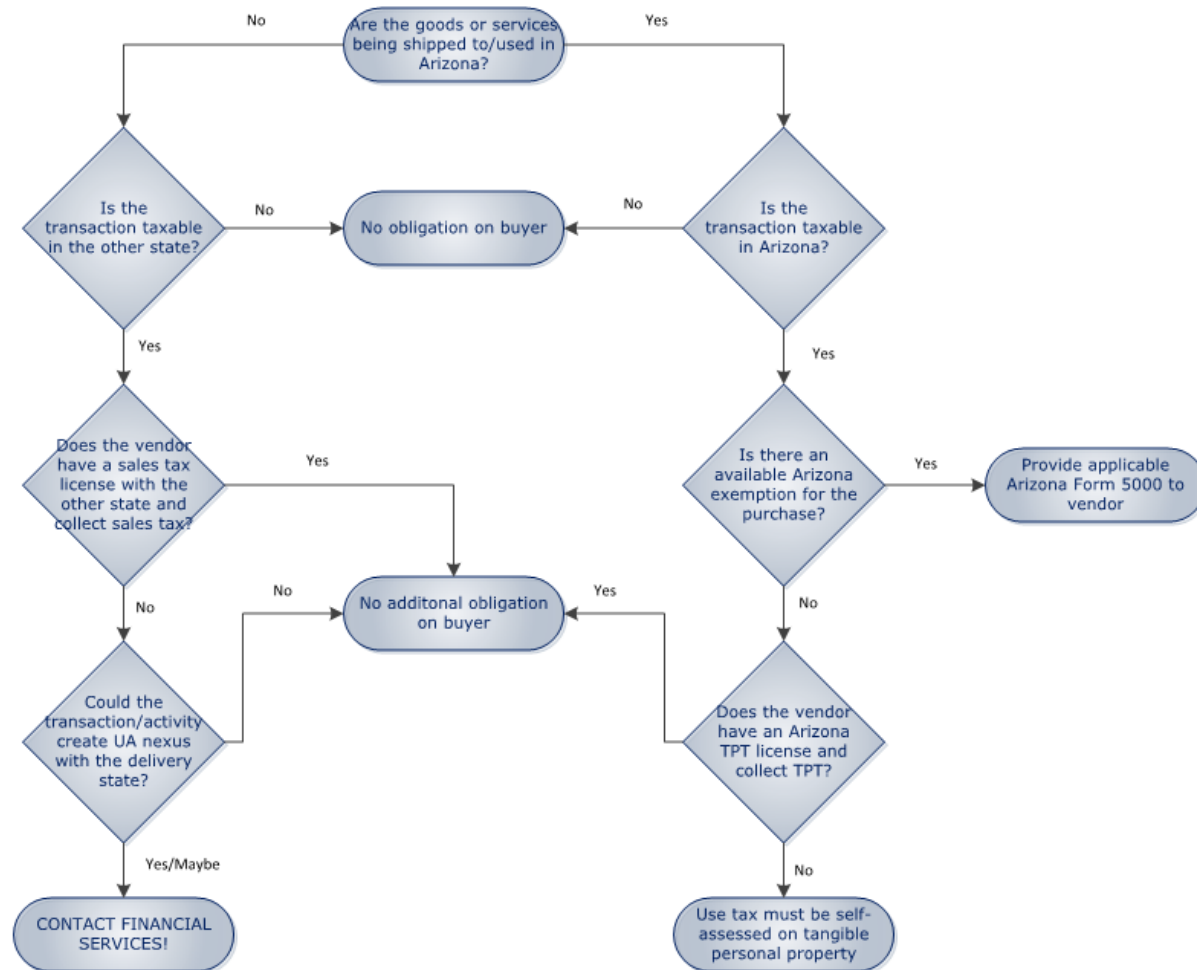SIGNATURE OF PURCHASER   DATE   TITLE

ADOR 10308 (9/21)   Page 2 of 2

Print Form   **Reset Form**

UNIVERSITY AS A BUYER

Are the goods or services being shipped to/used in Arizona?

No → Is the transaction taxable in the other state?
- **No** → No obligation on buyer
- **Yes** → Does the vendor have a sales tax license with the other state and collect sales tax?
  - **Yes** → No additonal obligation on buyer
  - **No** → Could the transaction/activity create UA nexus with the delivery state?
    - **No** → No additonal obligation on buyer
    - **Yes/Maybe** → CONTACT FINANCIAL SERVICES!

Yes → Is the transaction taxable in Arizona?
- **No** → No obligation on buyer
- **Yes** → Is there an available Arizona exemption for the purchase?
  - **Yes** → Provide applicable Arizona Form 5000 to vendor
  - **No** → Does the vendor have an Arizona TPT license and collect TPT?
    - **Yes** → No additonal obligation on buyer
    - **No** → Use tax must be self-assessed on tangible personal property

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PCDOs, USE TAX AND THE "TAX EXEMPT INDICATOR"

Transaction Total Amount : 675.00
Sales Tax Amount : 0.00
Enter Sales Tax : [   ]
Tax Exempt Indicator : ☐

PCard Reconciliation Fields :

- The first two fields are controlled by the vendor's processing system and cannot be adjusted
- The Sales Tax Amount may not be accurate
- Entering accurate sales tax (and notes) can provide clarity for future reviewers or auditors
- The last two fields control automatic use tax application

PCard reconcilers can avoid erroneous automatic assessments of use tax with timely reconciliation, and by:

- Entering the sales tax amount in the "Enter Sales Tax" field when sales tax is charged by the vendor, or
- Checking the "Tax Exempt Indicator" box in UAccess Financials when the transaction is sales or use tax exempt, or
- Checking the "Tax Exempt Indicator" box in UAccess Financials when sales tax is charged but the total amount cannot be easily identified

  - Taxes are typically included in the total price for airline tickets, hotels and telecommunication charges

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SYSTEM AUTOMATIC USE TAX ASSESSMENT

There are limited reasons why a PCDO or PREQ will not automatically assess use tax:

- PCDO: Any amount is prefilled in the "Sales Tax Amount" box during vendor processing
- PCDO: Any amount is entered into the "Enter Sales Tax" box during reconciliation
- PCDO: The "Tax Exempt Indicator" box is checked during reconciliation
- PCDO or PREQ: The object code is one listed below
- PREQ: The line being paid on the PO is not set up as taxable
- PREQ: The vendor is set as an Arizona vendor or an out of state vendor with a documented TPT license
- PREQ: And rarely, a manual adjustment might be made to the "Use Tax Indicator" during the processing of a payment where all other factors support a use tax adjustment

Use tax is not automatically assessed on the following object codes, which when used accurately, are never subject to sales or use tax in Arizona:

3820 – Postage & Mailing	5810 – Resale
3870 – Express Shipping	5830 – Resale
5520 – Conference Registration Fees	7810 – Library Acquisitions - Books
5535 – Purchasing Card Fees	7820 – Library Acquisitions - Periodicals
5540 – Dues	7830 – Library Acquisitions - Other
5560 – Freight In/Out – noncapital	

CORRECTIONS FOR SALES OR USE TAX

Sales tax:

- Any errors in sales tax collected by the vendor must be resolved with the vendor directly.

Use tax:

- Any errors in use tax for DVs or POs should be communicated to Accounts Payable for correction.
- Any errors in use tax for PCDOs should be corrected by the department.

One way to review PCDO transactions for use tax application or lack thereof:

- UAccess Financials > Accounting > General Ledger Entry
- Enter Fiscal Year, Chart Code (UA), Account Number, Fiscal Period, and Doc Type (PCDO)
- Object Code, Document Number and other fields can narrow the search
- Sort by Document Number to see if use tax was charged or not
- The report can be exported for additional review

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GEC TO REVERSE USE TAX IN CURRENT FISCAL YEAR

UAccess Financials > Accounting > Activities > General Error Correction (GEC)

DOCUMENT OVERVIEW

- Description – "Reversal of use tax"
- Explanation – Brief explanation why
- Organization Document Number – Enter the original doc #

PLEASE NOTE – A GEC can only be used to reverse use tax in the current fiscal year. A DI is required to assess use tax, or, to make a correction to a prior fiscal year. Instructions for each scenario are available on the Financial Services – Tax Services - Correcting Use Tax on a PCDO webpage.

GEC TO REVERSE USE TAX IN CURRENT FISCAL YEAR

GL ENTRY IMPORTING

- Be sure to select **both** the use tax expense, and the associated 9190 - Miscellaneous Payables use tax liability accounting lines

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GEC TO REVERSE USE TAX IN CURRENT FISCAL YEAR

GL ENTRY IMPORTING feature prefills:
- Account # - Account # where the expense was charged
- Object Code – Object code on which the expense was charged
- Reference Origin Code – "01"
- Reference Number – Original doc # where the expense was charged
- Amount – Use tax charged

ACCOUNTING LINES
- Returned selections will be in the "REVERSING" section of the GEC

NOTES AND ATTACHMENTS
- Include a detailed explanation why the transaction is not taxable, or why use tax is otherwise reversable
- Consider the details your fund accountant or an auditor would need to know
- This is optional **IF** sufficient details are included in the Explanation box

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FOR AN ACCURATE SALES OR USE TAX RESPONSE

When contacting Tax Services for a sales or use tax inquiry, please include:

- UAccess Financials document number

- If not attached to the document, include as much supporting documentation as possible. This may include but is not limited to:

  - Invoice
  - Quote
  - Contract
  - Agreement
  - Vendor documents explaining product or service
  - Explanation of department's intended use

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IN REVIEW

- The University is not exempt from Arizona sales and use tax

- Purchases and sales of tangible personal property AND services are generally taxable, unless specifically exempt

- If taxable goods are purchased from an out of state vendor without an Arizona TPT license, allow use tax assessment

- If you have paid both sales tax and use tax on a single purchase, reverse the use tax

- Provide complete details with Arizona sales and use tax inquiries for more expedited response

RESOURCES AND CONTACT INFORMATION

- **Tax Services Arizona Sales and Use Tax page:**
  https://financialservices.arizona.edu/tax-services/az-sales-use

- **For assistance to determine the taxability of a purchase/sale:**
  FNSV-Tax-Services@arizona.edu
  Financial Services – Tax Services:
  520-621-1957

- **For assistance recording purchases, sales, and related tax:**
  FNSV-FundAccountants@arizona.edu
  Financial Services – Fund Accounting:
  520-621-9097

- **For assistance with the correction of use tax on a DV or PO:**
  FNSV-Accounts-Payable@arizona.edu
  Financial Services – Accounts Payable:
  520-621-9097

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