

Sales Tax Guidance for Marketplace uStore Managers

The University of Connecticut is an agency of the State of Connecticut. As such, it is exempt from Connecticut sales tax pursuant to Conn. Gen. Stat. §12-412(1)(A). However, UConn is only exempt from sales tax on goods and services it purchases for **its own business use or consumption**. A common misconception is that a department can utilize UConn's sales tax exemption to purchase taxable goods and services for the **personal** use of its employees.

Example: A department cannot purchase UConn apparel for its employees from a third-party vendor using UConn's sales tax exemption and then get reimbursed by its employees. In this instance, UConn is acting as the intermediary on a sale that is occurring between the vendor and the employees. UConn's sales tax exemption should not be used for this purchase. Sales tax should be collected by the vendor on the apparel sale.

When UConn *sells* a **taxable** product or service, it must collect and remit sales tax to the CT Department of Revenue Services ("DRS") on that sale unless the customer provides the appropriate exemption certificate at the time of the purchase. Click [here](#) for more information about sales tax exemption certificates referred to as "certs".

Applicable Sales Tax Rates		
<u>Tax Rate</u>	<u>Applies To</u>	<u>Citation</u>
6.35%	Tangible goods and taxable services	Conn. Gen Statute §12-408(1)(A)
7.35%	Meals, Beverages, Catering	Conn. Gen Statute §12-408(1)(A) and §12-408(1)(I)

- Tangible goods such as UConn merchandise (apparel, memorabilia, etc.) is subject to 6.35% sales tax when shipped to customers within Connecticut.
- Certain taxable services are subject to a 6.35% sales tax when they occur within Connecticut. Please refer to this [chart](#) for common services sold by UConn.
- Prepared or ready-to-eat meals and beverages are subject to a 7.35% sales tax when sold to non-UConn students and employees. The state of CT offers a [special sales tax exemption](#) for food and beverages sold **ON CAMPUS** to UConn students and employees but the individual must show their UConn ID at the time of purchase to receive the sales tax exemption.
- Generally speaking, educational courses, conferences, and seminars provided by UConn are exempt from sales tax. However, if a significant portion (more than 10%) of the cost of the educational program (e.g. registration fee) is to pay for taxable goods and services such as meals and parking, then we suggest itemizing the costs within your uStore to collect sales tax on only the taxable components of the price. Otherwise, the total bundled price may be subject to CT sales tax.

Please visit UConn's Tax & Compliance [website](#) for further guidance on CT sales taxes. If you have specific questions about how to setup your uStore to collect CT sales tax, please email marketplace@uconn.edu.