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BA #29

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TO: ALL PRINCIPALS, SCHOOL OFFICE PERSONNEL, and DIRECTORS

**FROM: Mark Shepard, Associate Superintendent for Business Affairs
Dwayne Odvody, Director of Purchasing
Jill Pauley, Director of Accounting**

SUBJECT: PAYMENT AND COLLECTION OF SALES TAX

I. PAYMENT OF SALES TAX

The District sales tax exemption is limited to purchases that are made with District funds and exclusively for District use. The District must pay directly (by check or District credit card) for the purchase to qualify for sales tax exemption. Sales tax must be paid on cash purchases that are reimbursed by the District.

The use of the sales tax exemption number for purchases from non-district funds is strictly prohibited. For example, Booster Clubs, Parent-Teacher Organizations, and other outside organizations shall not use the LPS tax exempt number for their purchases.

II. COLLECTION OF SALES TAX

(Nebraska Department of Revenue, May 14, 1994, REG 1-092.07E)

Organizations approved by the School District may conduct fund raising activities that are exempt from the collection of sales tax as long as the proceeds from such sales "are used to support school activities or the school itself."

Exemption from collection of sales tax on items sold for fundraising does not include exemption from payment of sales tax on the original purchase by any organization.