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This publication is provided for general guidance only. It does not contain all sales or use tax laws or rules.

Sales Tax Information for Utah State and Local Government Agencies

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tax.utah.gov



If you need an accommodation under the Americans with Disabilities Act, email taxada@utah.gov, or call 801-297-3811 or TDD 801-297-2020. Please allow three working days for a response.

Introduction

This publication provides sales tax information for Utah state and local government agencies. **Any reference to “government agencies” in this publication refers only to Utah state government agencies, Utah state universities and colleges, and local governments (cities, counties, etc.). This publication does not apply to governments of other states or countries.**

This publication also does not apply to K-12 schools. See Pub 35, *Sales Tax Information for Public and Private Elementary and Secondary Schools*.

Also see Pub 25, *Sales and Use Tax General Information*.

Tax Commission publications are reference tools. They are not all-inclusive and should not be used as legal references.

Tax laws may change due to legislative action. Changes to law will supersede any information in this publication.

Purchases

Utah law exempts Utah state and local governments from sales and use tax on purchases of goods and services used in the exercise of essential government functions.

When making an exempt purchase, provide the vendor a completed form TC-721G (*Exemption Certificate for Governments & Schools*). Do not use an exemption certificate filled out with another agency's information.

Construction Materials

Purchases of construction materials by Utah government agencies are exempt from sales tax if:

1. the agency pays the seller directly with government funds, and
2. the construction is performed by Utah government employees.

For purchases of construction materials by contractors working for government entities, see Pub 42, *Sales Tax Information for Sales, Installation and Repair of Tangible Personal Property Attached to Real Property*.

Lodging

Lodging-related purchases by Utah government agencies are exempt from sales tax if paid directly by government funds. Employee purchases that are reimbursed by the agency do not qualify.

Tax must be paid at the time of purchase. A government agency must then request a refund from the Tax Commission using form TC-62G (contact the Tax Commission if you haven't received TC-62G coupons for the current year). Refund claims may not exceed one per month.

Government agencies must register with the Tax Commission to apply for lodging tax refunds. Complete form TC-160G, *Sales Tax Exemption Number Application for Government Agencies*.

Sales

Government agencies are not exempt from collecting sales taxes on taxable sales and services made to the public. Common transactions upon which sales tax must be collected include:

- Admissions to fairs, recreation centers, golf courses, swimming pools, parks and other amusement and recreation places.
- Charges for lodging accommodations of less than 30 days, including tourist homes, campgrounds and R.V. parks. Agencies must also collect the transient room tax.
- Charges for service to repair, renovate or clean tangible personal property.
- Sales of commercial or residential electricity or other fuel.
- Sales or rentals of tangible personal property such as books; maps; food; beverages; surplus, unclaimed and seized property; golf carts; and other equipment (unless the agency also provides an operator for the equipment).

Government agencies do not need to collect sales tax on the following transactions because they are exempt in statute:

- Admissions to sporting events of public higher education institutions.

- Charges for access to online databases (except charges to download audio/visual work and books);
- Photocopies and publications.
- Meals served to patients of medical or nursing facilities.
- Sales made by area aging agencies and senior citizen centers.

Licensing Requirements

Government agencies that make taxable sales to the public must have a Utah sales and use tax license.

Get a license by registering for a sales and use tax account online at tap.utah.gov.

TAP Instructions for Government Agencies

- Select "Yes" for "Sales and Use Tax License".
- Select "Government" as the organizational structure and select the sub-entity type.
- Enter your agency's FEIN.
- Enter the legal entity's name, contact information, street address and business description. Note: the address must be a physical street address, not a P.O. box.
- Enter the physical street address if it is different from the street address. Or, select "Yes" if they are the same.
- Enter the legal entity's mailing address if it is different from the legal entity street address. Or, select "Yes" if they are the same.
- Enter your email address. Note: the license and account information will be sent to this email address.
- For the officer/owner information, enter "Gov" as the first and last names and all zeros as the SSN.
- Enter the legal entity's street address as the home address.
- Enter the date you started or plan to start selling or making purchases.
- Select your estimated annual net sales.
- For your business description, enter the type of sales you will be making.
- Enter the account's mailing address if different from the legal entity's street address. Or, select "Yes" if they are the same.
- Select "Yes" to any questions that apply.
- Select "Yes" to agree to the *Authorized Signature Agreement*.
- Enter the name, title and phone number of the person authorizing this submission.
- Submit your business application.