

Wilkes University

Finance Office

Pennsylvania Sales Tax Information

Wilkes University is a non-profit educational institution exempt from Pennsylvania sales tax. However, the exemption to which we are entitled only applies to the purchase of tangible personal property or services that are either used in an activity which bears a reasonable relationship to the purpose for which we exist (i.e. instruction, research or healthcare) or which is a material or supply used in the routine maintenance or repair of real estate used in an activity which bears a reasonable relationship to the purpose for which we exist. All other purchases made by Wilkes University are considered taxable.

Additionally, the exemption does not pertain to items that Wilkes sells. Sales tax must be collected on items sold that are not exempt by sales tax law--whether or not the selling vendor is profit or nonprofit. Exemption applies ONLY if sales are no longer than 7 days in length and no more frequently than 3 times per year and Wilkes does not meet this exemption due to our volume of fundraising.

When selling items to raise funds, you must collect and remit sales tax on items subject to tax under state law. Sales tax collected must be separately itemized on your cash receipt transmittal and coded to the **FOAP 1XXX (FUND)*-2120(ACCOUNT) no org or program needed.**

**Your fund number*

Common Examples of TAXABLE Items (Must collect 6% sales tax)

Souvenirs and Accessories (jewelry, umbrellas, pins, etc.)
Non-clothing sports gear such as baseball gloves, gym mats, etc.
Cosmetics and toiletries
Blankets
Toys and Games
Books
Candles
Mugs, Tumblers, Drinking glasses, thermoses, etc.

Common Examples of NON-TAXABLE Items (No sales tax to be collected)

Clothing for everyday wear (includes baseball hats, winter hats, belts, gloves, scarves, headwear, ties, rainwear, shoe laces, t-shirts sweatshirts (with or without logo), athletic wear, etc.)

Food and beverages

FOR A FULL LISTING OF ITEMS, PLEASE SEE:

<http://www.revenue.pa.gov/FormsandPublications/FormsforBusinesses/Documents/Sales-Use%20Tax/rev-717.pdf>

PRICING – You can still charge an even amount for items; you may build the sales tax into your quoted item price.

Examples:

Price of Item to customer	Sales tax to remit to state	Amount of sale to keep
\$1	\$.06	\$.94
\$2	\$.11	\$1.89
\$3	\$.17	\$2.83
\$5	\$.28	\$4.72
\$10	\$.57	\$9.43
\$15	\$.85	\$14.15

You can calculate additional price points by using the following formula, starting with what you plan to charge. The formula is total charge divided by 1.06. Example: If you plan to charge \$4, the amount kept as sales is \$3.77 and \$.23 is sales tax. (4 divided by 1.06)

FILLING OUT CASH RECEIPT TRANSMITTAL – THE FINANCE OFFICE HAS CREATED AN EXCEL TEMPLATE TO MAKE THIS PROCESS EASY. IF YOU NEED A COPY, please contact:

Dolores.watkins1@wilkes.edu ext# 5613

or

Jessica.swingle@wilkes.edu ext # 5657

Here is the explanation of what the template will calculate:

Example: Club XYZ is selling the following merchandise to raise money for a trip:

T-shirts \$10
Coffee tumblers \$5
Scarves \$10

The club sells 15 t-shirts, 18 coffee tumblers, and 20 scarves, collecting \$440 (\$150 t-shirts, \$90 – tumblers, \$200 scarves)

The cash receipt transmittal with your deposit should be filled out as follows:

FOAPAL Description Amount

11xx-525-5751-546	T-shirts	\$150	
11xx-525-5751-546	Coffee tumblers	\$84.96	(\$4.72x18)
11xx-2120	Coffee tumblers – 6% sales tax	\$5.04	(\$.28x18)
11XX-525-5751-546	Scarves	\$200	
	Total	\$440	