

Tax Tips

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Tax Cleanup in the Snack Aisle

University campuses are buzzing with excitement for the new year, and units are stocking up on paper, pens, and plenty of treats. After all, a little sugar and caffeine can go a long way toward boosting move-in morale. But for the Tax Management Office (TMO), those brightly colored packages remind us of everyone's favorite double act: sales and use taxes.

Record scratch: use tax? What's that? When does it apply? What do we do?

Cue the flashback. Remember, the University's sales tax exemption is like most great discounts—some items are excluded, like candy and soda. The University should pay sales tax on those items. The exemption also can't be used unless the University is paying directly, for example, with a PCard. See [TMOG 16: Using the University of Minnesota's Exempt Sales Tax Status](#) for more information.

Mistakes happen. Maybe you were so focused on finding your PCard that you forgot about the candy in your cart. Or you remembered to separate the snacks into a taxable transaction but accidentally paid for the exempt items with a personal credit card. Darn it! If only you had used U Market. Now you're left with a mess.

This is where use tax enters the scene. It's like the cleanup crew making up for missed sales tax. But unlike sales tax, the University has to identify it and make payments directly to the state. To do that, units can submit [Form UM 1763](#) to tmoforms@umn.edu. Then TMO can remit the tax, and all's well that ends well.

As always, if tax questions come up, don't panic about answering a "pop" quiz by yourself. TMO is here to help, and you can check out [Tax Topics](#) and [TMOGs](#) too. We'll see you again next month for another bite of tasty tax knowledge.

Contact taxhelp@umn.edu with related tax questions. Keep in mind, TMO supports *University departments* with their *business* tax needs. We cannot provide personal tax advice to employees or students. To determine any issues with your personal taxes, please contact a personal tax advisor or the IRS.