



STATE EMPLOYEES' CHARITABLE GIVING CAMPAIGN Temporary Seller's Permit

State agencies are not exempt from sales tax when they sell goods at an event, even if it is for charitable purposes. If your agency is selling goods to raise money for the campaign, you will need to obtain a temporary seller's permit.

Application of Sales Tax within the State Employees Charitable Giving Campaign

To request the permit, call the Tax Commission at 334-7660. The taxpayer service representative who answers will ask you some questions to complete the permit form and mail you the permit. They can give you the permit number over the telephone if you like. Please have the following information available when you call:

- Date sales will begin
- Date sale ends
- Name of person who will be responsible for completing the form and sending the tax
- Agency's federal employer identification number (It is a nine-digit number usually beginning with 82. Your accounting department would have the number.)
- A telephone number where the contact person can be reached
- The address where you want the permit mailed

The temporary seller's permit you receive is also the form you use to remit the tax you have collected from the buyers. The form will ask for your total sales. The sales tax will be due to the Tax Commission approximately 15 days after the date you have listed as date sale ends.

If when you record your taxable sales you keep a lump sum rather than recording the sales tax separate from sales price, you will need to separate out the sales tax before you remit the tax.

You can do this by dividing the lump sum by 106%.

Example: Lump sum \$235.00 divided by 106% = \$221.70 in sales

The \$221.69 is reported on line 1, total taxable sales, of the Temporary Sellers Permit.

Below is sales tax information related to specific fund raising activities:

Sales tax is a tax on a transaction, so if control of a tangible item changes hands it is subject to sales tax. This is true even when the item was donated. In general, **services are not subject to sales tax.**

FOOD

Food is subject to sales tax. This would cover potluck lunches, donuts, candy, etc. If there is a set fee or suggested price, sales tax must be collected even if the charge is called a donation. If there is no set or suggested charge and a person can eat **with or without** a donation, no sales tax is collected.

TAXABLE

The sale of plants, baskets, artwork, **used items**, anything tangible, is subject to sales tax, regardless what the sale is called. (See auction below.)

NONTAXABLE

- Services: Accounting, IT hours, Yard work, Car wash
- Real Property, i.e., Parking spaces

AUCTION

If prior to the auction buyers are notified of the retail price of the items being auctioned, sales tax is charged only on the retail price. (If the item sells for less than the retail value, the tax would only be charged on that amount.) The buyer's invoice and the seller's records must show the retail price as well as the sales price. *For example*, if a cake that sells for \$10 at a store is auctioned for \$100, sales tax is collected on \$10. The buyer's and the seller's sale document will show: cake \$10, tax \$.60, donation \$89.40.

If these procedures are not followed or if the retail value of an item is unknown, sales tax is charged on the full auction price.

RAFFLES

The sale of a raffle ticket is a sale of a "chance to win," not a sale of tangible personal property. Sales tax does not apply to the sale of the raffle ticket.

If you have further questions or we can be of assistance, please call me at the number listed below or our Taxpayer Service at 334-7660.

You can find information on sales tax in the brochures on our Web site at: tax.idaho.gov

Debbie Carrell
Taxpayer Service Manager
334-5379
dcarrell@tax.idaho.gov