

**Accounting and Reporting****Sales Tax**

Suppliers or retailers selling rings, pictures, sweaters, jackets, school annuals, musical instruments, shoes and similar items, or renting of gowns, caps and other items which are for personal, individual benefit and use of a student, should include and collect the sales or use tax on such sales or rentals.

Purchase orders will designate if purchases are for school purposes and not for students' individual and personal ownership. If the purchases are for the school's purposes as part of its regular educational activities, no tax should be collected by the sellers. (Examples of nontaxable purchases: books, desks, school supplies and equipment; diplomas, medals, awards or cups; athletic, musical or other equipment and supplies purchased for the athletic and other departments; and items for the general use by or benefit of all students entered or engaged in regularly sponsored school athletic or other educational programs, classes, events or activities.)

Operators of vending machines or commissaries located in schools, but not operated by the schools or any school group, are required to report the tax on the gross receipts from these vending machines or commissaries operated by them (retailers).

Tax will not be collected on admissions charged to school plays or entertainment sponsored as a part of the regular school program, as such activities are considered occasional in nature. However, when entertainment or programs are put on by individuals, entertainers or groups who make this a business and receive as compensation a portion of the net receipts, then the sales tax must be collected on the admission charge even though sponsored by the school, and the profits, if any, are intended to be used for school purposes.