

Sales Tax Applicability:

Sales of tangible personal property by the University: Per the Alabama Department of Revenue Sales and Use Tax Rule number 810-6-2-.88.03, all retail sales of tangible personal property made by Auburn University are subject to sales tax. As a result, you must collect sales tax on sales your department makes to both internal and external parties. The sales tax rate for Auburn is 9% (state 4%, city 4%, county 1%). The sales tax rate for Montgomery is 10% (state 4%, city 3.5%, county 2.5%). Sales tax collected is recorded in Fund 101002 Account 20303 (Auburn and Covington County activities) or Fund 102002 Account 20304 (Montgomery activities).

Purchases of tangible personal property by the University: Per the Alabama Department of Revenue Sales and Use Tax Rule number 810-6-3-.47.04, sales of tangible personal property to a state school for its **sole use** (and not resale) are exempt from sales tax. Purchases for resale are subject to the tax.

Excise Tax Applicability:

Retail Excise Taxes: Per Internal Revenue Code §4041(g), purchases made by Auburn University for its exclusive use are exempt from retail excise taxes. Purchases for resale are subject to the tax.

Manufacturers Excise Tax: Per Internal Revenue Code §4221(a), purchases made by Auburn University for its exclusive use are exempt from manufacturers excise taxes. Purchases for resale are subject to the tax.

Communications Excise Tax: Per Internal Revenue Code §4253, Auburn University is exempt from the federal communications excise tax on telephone services provided to the University. The University **is not** exempt from any state communications excise taxes.

Other Taxes:

Auburn University is not exempt from lodging taxes, rental taxes, or state utility taxes.

Note: A copy of Auburn's tax-exempt certificate may be obtained by emailing salhesu@auburn.edu.