

320. Out of State Sales

As with in-state sales, tax must be collected on many sales transactions conducted in others states. Such sales include items sold in Texas but shipped to another state or sales which occur outside the state.

Following are examples of sales that could be taxable in another state, depending on the tax regulations of each state.

- An individual who lives in another state places an order for a duplicate diploma by calling the records office or through the Baylor website and requests that the diploma be shipped to his or her home in the foreign state.
- A department located on the Waco campus sells registrations to an event to be held in another state.

The taxability of a sale and the tax rate to be collected varies widely depending on the final location of the delivery. For example, some states apply sales tax to the sale of all books, regardless of the nature of the content. Other states allow exemptions for the sale of religious or educational books. The laws governing event registrations can also be complex. For example, most states might find an amusement event non-taxable, but require fundraising events to be taxed. A few states, however, allow the University to pay sales tax to the caterer for fundraising events and thus not charge sales tax on the event registration to the final purchasers. The laws for a specific destination must be analyzed and, in many cases, taxability is based on a complex determination of whether the University has nexus, or substantial presence, in a particular state.

Process TBD.