**Taxation of food sales (catering, dining services, food purchases)**

The University is responsible for assessing and collecting state and local (city) taxes for food sales. These taxes then must be remitted to the appropriate taxing authority.

Types of taxes:

- State sales tax at 8.25%
- Local (city) sales tax at 2%

Non-taxable food sales:

- Student Board plans (student meal plans) are exempt from taxation
- Student related academic programs that require students to reside in dorms are exempt from taxation. Examples: summer orientation, forensics camp.

Internal University department catering/food sales:

- Internal university department catering is taxable at the local (city) tax rate of 2%.
- SABRC funded student organizations (account numbers 11-26xxx) are taxed at the 2% rate.
- Departments should provide a university account number beginning with 11xx to 29xx.

External University events:

- External events are taxed for both state and local (city) taxes, a total of 10.25%
- Examples: Athletic camps, student clubs (9xxx accounts), other camps, wedding receptions, other banquets, other student center or alumni center events
- Exception: If the external event is a non-profit with a state exemption certification, then the food will be subject to the 2% tax

Other forms of payment:

- Quick cash sales are taxable at the 10.25% rate
- Cash sales are taxable at the 10.25% rate
- Credit card sales are taxable at the 10.25% rate
- Faculty/Staff BU Bucks deposits at the cashiers’ windows are taxed at the 10.25% rate

Questions: Please contact Controller’s Office, Allyn Kosenko at x3130 or Pratima Gandhi at x3117.