Indiana Sales Tax Compliance

The campus was recently informed by the Indiana University Tax Compliance Officer that the campus must begin paying sales tax on certain catering event expenses. Beginning with events hosted on or after May 6, 2013, Indiana sales tax will be charged on many catered events that serve catered/prepared food. Catered events that do not meet the exemption criteria will be assessed 7% Indiana sales tax. The tax expense will be included on invoices prepared by Comfort’s Catering.

If a prepared food order is placed with a vendor other than Comfort’s Catering and does not meet the exemption criteria, the vendor must charge the 7% Indiana sales tax. These expenses are not tax exempt.

A Hospitality Request Form must be completed for all events where food is served at the event. Based on the information provided on the Hospitality Request Form, Fiscal Affairs will determine if expenses are exempt from the assessment of Indiana sales tax.

The Office of Fiscal Affairs has recently updated the Hospitality Request Form which is available on the web at http://www.iun.edu/fiscal-affairs/docs/hospitality-request-form2.pdf. During a recent audit conducted by IU Internal Audit, a department was given a warning for not submitting the Hospitality Request Form to Fiscal Affairs at least 2 weeks prior to the event date. In order to avoid future audit issues, ALL Hospitality Request Forms MUST be submitted to the Office of Fiscal Affairs at least 2 weeks prior to the event date.

Listed below are some examples of what is and is not exempt from the assessment of Indiana sales tax.

--Events related to the recruitment of students or a student function put on for the benefit of students and sponsored by IU Northwest are exempt from the assessment of sales tax on catering/prepared food and all other charges, including delivery charges, disposables, etc. Sales tax will not be assessed.

--Events which fall within the mission of the University (teaching, research and public service), but are not student related, are not exempt from the assessment of sales tax on catered/prepared food. Sales tax will be assessed for catered/prepared food only.

--Events unrelated to students or teaching and learning are not exempt from the assessment of sales tax on catered/prepared food and also are not exempt from sales tax on delivery charges, disposables, etc. Sales tax will be assessed for catered/prepared food and all other applicable charges.

--Exempt from all tax:
  - Science Olympiad
  - Lego Tournament
  - Student Orientation
  - Admissions Preview Night
  - Business Open House
  - Student Activities programs, i.e., Soup & Substance lectures, Super Bowl Party, etc.
  - N SSP, Brother2Brother, National Society of Leadership and Success
  - MBA Saturday program
  - Honors Teas/Student Awards Ceremonies
• Celebrating Our Students annual event

--Taxed for catering:
• Chancellor luncheons
• Department meetings
• Faculty Organization meetings
• Candidate breakfasts/luncheons/dinners
• Conferences – not student specific
• Seminars – not student specific
• Community engagement functions, i.e., Martin Luther King celebration, Exhibits, Performances, etc.

--Taxed for all applicable charges:
• Faculty and staff recognition luncheons/receptions/dinners
• Faculty and staff retirement luncheons/receptions/dinners
• Faculty and staff training