

FAQ on Sales and Use Tax

Also refer to Manual of Business Procedures [Section 50 Sales and Use Tax](#).

I am facilitating a purchase for MSU, and I need to provide the vendor with a Michigan Sales and Use Tax Certificate of Exemption. Who should fill out this form?

The [Michigan Sales and Use Tax Certificate of Exemption](#) (Form 3372) can be filled out by any employee who is authorized to make purchases for MSU. All four sections need to be completed as follows for the certificate to be valid:

- Section 1 – Check Box A or B as appropriate, and fill out the vendor’s name and address.
- Section 2 – Check Box 1 or 2 as appropriate.
- Section 3 – Check Box 4 (Nonprofit School).
- Section 4 – Fill out Business Name as “Michigan State University” and Type of Business as “14” (Non-Profit Educational), and then fill out the remaining fields with your contact information at MSU.

If you need assistance with this form, please contact the Office of Tax Services (355-0010 or TaxReporting@ctrl.msu.edu).

I am facilitating a purchase for MSU, and I need to provide the out-of-state vendor with the sales tax exemption form for that state. How should I proceed?

Refer to the [MSU State Sales Tax Exemption List](#) to see if MSU is exempt from sales tax in that state and follow the instructions accordingly. Many of the state tax exemption forms mentioned in this document can be found on the [Controller’s Office website](#). If the form requires an authorized signature from an Officer, then complete all other sections and send the form to the Office of Tax Services (TaxReporting@ctrl.msu.edu) for appropriate routing. Please allow one week for the review and signature process to be completed.

A purchase was made with MSU funds and sales tax was paid in error. Can I request a refund from the vendor?

Yes, the vendor should be contacted and provided with the certificate of exemption.

Can MSU student organizations claim an exemption from sales and use tax?

Student organizations cannot claim an exemption from sales and use tax using MSU's exempt status. However, if the student organization has obtained its own exempt status, then they will need to provide a valid Michigan Sales and Use Tax Certificate of Exemption.

Can MSU claim an exemption from municipality taxes?

In general, MSU's exempt status does not apply to municipality taxes (i.e. city or county excise taxes, hotel taxes, and convention facility taxes). However, if you encounter a specific municipality tax that you think should be reviewed, please contact the Office of Tax Services (355-0010 or TaxReporting@ctrl.msu.edu).

Does MSU have a Michigan sales tax license?

Yes, MSU has a Michigan sales tax license that is issued yearly and is valid January – December. If you need a copy, please contact the Office of Tax Services (TaxReporting@ctrl.msu.edu).

What sales transactions are subject to Michigan sales tax?

In general, all sales of tangible personal property to consumers in the State of Michigan are subject to Michigan sales tax, unless they qualify for an exemption. The list of taxable items below includes sales transactions that commonly occur at MSU, but it is not an all-inclusive list. If you need assistance determining whether an item is taxable, please contact the Office of Tax Services (355-0010 or TaxReporting@ctrl.msu.edu).

- Alcohol
- Books, magazines, and publications
- Catered meals (prepared food/drink by a caterer for immediate consumption)
- Clothing (t-shirts, sweatshirts, etc.)
- Dining hall meals sold to employees
- Dining hall meals sold to the general public
- Food items intended for immediate consumption (coffee, open snack/concessions items, meals in a restaurant-type atmosphere)
- Gift shop merchandise (blankets, calendars, jewelry, logoed souvenirs, mugs)
- Nonprescription medical supplies, medications, and optical wear

What sales transactions are exempt from Michigan sales tax?

The list of exempt items below includes sales transactions that commonly occur at MSU, but it is not an all-inclusive list. If you need assistance determining whether an item qualifies for an exemption, please contact the Office of Tax Services (355-0010 or TaxReporting@ctrl.msu.edu).

- Dining hall meals sold to currently enrolled MSU students
- Dining hall meals sold to elementary and secondary school students enrolled in MSU summer camps
- Food items not intended for immediate consumption (bottled water, packaged snack/concessions items)
- Prescription drugs

Our department engages in sales/rental transactions subject to Michigan sales/use tax and collects payments made by credit/debit cards. Will the sales/use tax portion of a payment automatically be moved to the university's sales and use tax account?

No, the entire amount of the credit/debit card payment will be deposited to your department's account. You will need to initiate a Distribution of Income and Expense e-doc (DI) to move the funds into the sales and use tax account number AD023236 (object code 4069 for sales tax and object code 4070 for use tax). Tax deposits should be made in a timely fashion, generally by the end of the month for the preceding month's sales/rental transactions.