

Common Tax Exempt Purchases



The University of Arkansas is a taxable institution and every purchase made should have a tax status of one of the following:

TI – Tax Included; This is used when there was tax charged by the merchant and it is listed in BASIS or on the receipt. If the vendor uploaded tax in a separate tax field it will be displayed in BASIS as a separate line (This is called level 2). If the tax was not loaded separately but is part of the total cost then this is called level 1.

UT – Use Tax; This is used primarily for purchases where the merchant DID NOT charge tax (i.e. Amazon) but the item(s) received are taxable items. UT is NEVER selected if the vendor is in Arkansas. UT is only an allowable entry for out of state vendors.

O – Tax Exempt; This is used when no tax was charged and the item or service is tax exempt by the state of Arkansas (i.e. specific services, downloads, software etc.).

There are certain types of purchases that the State of Arkansas does not require tax to be paid. These purchases are tax exempt and typically require a tax status of “O” in BASIS. The majority of tax exempt purchases will be marked with “O,” but “S” or “N” is used on occasion. This list is NOT all inclusive and is subject to change with no notice. Most common specifics for tax exempt items are as follows:

O

- Advertising Services
- Abstract/Paper submissions
- Job postings
- Memberships – require [Membership Justification Form](#)
- On-line Trainings/Courses – Allowed if **NO** Travel is involved (must note on receipt)
- Postage
- Publications/Reprints
- Rentals – long term rentals of more that 30 days (i.e. Cintas Rugs)
- Shredding Services
- Shipping from Direct Shippers (i.e. FedEx, UPS, USPS, DHL)
- Site/Software Licensing (**NO** tangible product received and licensing must **NOT** require a signature, if signature is required this purchase **CANNOT** go through PCard)
- Subscriptions
- Vehicle Registrations/Renewals
- Webinar Registrations – Allowed if **NO** Travel is involved (must note on receipt)

N

- Used with Items Purchased for Resale
- This code would **ONLY** be utilized for a department that has a resale tax id (i.e. Bookstore, Printing Services)

S

- Used when Purchasing Seed, Feed, or Fertilizer for **Agricultural Purposes**