Assessment, Collection, and Depositing Sales Tax

Responsible Officer: Vice President for Business Affairs and Controller
Sponsoring Department: Accounting Services
Revision Date: 24 August 2015
Errors or changes to: aim@uta.edu

I. Texas Limited Sales, Excise and Use Tax

A. The Texas Limited Sales, Excise and Use Tax Act imposes a tax on the sale, lease or rental of tangible personal (touchable, moveable) property and on certain specified services. The state sales tax rate is 6.25%. Arlington local taxes of 1.75% combine with this for a total sales tax rate of 8.0%. In general, the Texas sales tax is imposed on the "sales price" (amount for which the item is sold including labor, materials, overhead, transportation) of each "sale" of a "taxable item" in Texas. The tax is not imposed when an exemption from the tax applies, meaning the purchaser would present UTA with a properly completed Texas Sales and Use Tax Exemption Certification (Form 2-5).

B. When sales tax is collected, it is deposited to the same cost center as the revenue generated from the sale. General ledger account 20218 must be used for the sales tax portion of the deposit. The sales tax remittance to the State of Texas is processed by Accounting Services.

C. If you have questions regarding the assessment and collection of sales tax, please call Accounting Services at 817-272-1541.

Related Forms

- Texas Sales and Use Tax Exemption Certification (Form 2-5)