Virginia Sales and Use Tax

Is William & Mary exempt from paying sales tax on its purchases? What purchases are subject to sales tax?

The William & Mary (W&M) and the Virginia Institute of Marine Science (VIMS), as public institutions of the Commonwealth of Virginia, qualify for the Virginia retail sales and use tax exemption on purchases of tangible personal property for the use or consumption by W&M and VIMS (with certain exceptions). Therefore, all purchases made on behalf of W&M or VIMS must be made using a Commonwealth of Virginia Sales and Use Tax Certificate of Exemption (Form ST-12), regardless of the method of payment or institutional funds used. It is the responsibility of the individual initiating the purchase to alert the vendor to our tax-exempt status at the time of purchase, otherwise sales tax may be charged and the vendor is not required to provide a refund after the sale has occurred.

How does use tax differ from sales tax?

Use tax is similar to sales tax, in that it is a tax collected in relation to sales made to Virginia customers. However, it is differentiated from sales tax in that for sales tax, the primary consideration is whether the sale occurred in the state, while for use tax it is whether the property purchased out-of-state is brought into the state for use, storage or consumption.

What is the use tax rate?

The Williamsburg, Virginia sales tax rate is 7%. Tax rates may differentiate between counties.

What is the sales tax rate that the University charges to its customers?

For sales by the University the tax collected depends on where the buyer resides. The application of tax is based on the consumer’s address.

Should the University collect sales tax when making sales to another department of the University?

No, the University should not collect any taxes when making sales to another department.

Should the University collect sales tax when making sales to outside customers?

Yes, if the sale is taxable under the Virginia Statute. If the sale is claimed exempt by the customer, the department should collect an exemption certificate from the customer.

What are the most common taxable sales made by the University to outside customers (including students)?

* Printing / copying / binding services
* Publication
* Sale of incidentals to parents and students such as t-shirts, and such items.

When making a sale, do we collect tax for the state that we are located in (VA) or the state where the customer is located?

The tax should be collected for the state where the property is delivered to your customer. If the item is shipped to the customer, then tax applies for the delivery state. You should collect the tax only if you are registered to collect tax in that state. If the customer picks up the item at your location, tax should be collected for your state.

Use tax was charged incorrectly to my account. How can I correct this error?

The procedure for correcting use tax errors depends on how the tax was paid or should have been paid at the time of purchase. Errors in use tax can arise in relation to a P-Card Purchase or Purchase Order. You will work with the Procurement and Accounts Payable to ensure the errors are corrected.