

# SOFS Deposits

## Sales Tax Determination

### Nontaxable

- **Banquet:** Ask RSO, did you charge only for the cost of the meal? If charged only for the cost of the meal, deposit of funds is not taxable if tax is charged to the RSO by the caterer. If banquet is held for profit, see **SOFS – Admission Sales Tax Determination Form** to determine donation amount. Tax only needs to be remitted on the fair market value cost of the meal served.
- **Clothing:** If sales-tax was paid to the vendor attach copy of vendor invoice to deposit slip, give credit on the deposit slip for the amount of tax paid to vendor and assess tax on the balance of deposit compared to cost paid to vendor.
- **Flowers:** If sold only on an occasional basis for fund raising purposes and sales tax is paid to the vendor. (The proceeds are considered a donation, tax was paid to the vendor which is considered the fair market value of the item sold)
- **Food/Beverage:** Generally prepared foods are subject to sales tax. Concession sales sold at an **event** are taxable. Sales of food maintained at room temperature or cooler **are not taxable** unless the seller physically gives the customer an eating utensil with the food. For example, sales of sandwiches, donuts, or cookies which are not packaged by the seller are exempt unless the seller's customary practice is to give a napkin, plate or other eating utensil to the purchaser. Food that is heated by the purchaser is not taxable even if using a microwave oven located on the seller's premises. Sales of fountain drinks, prepared hot chocolate/coffee are taxable. Bake sales are **not-taxable** if the snacks are not pre-packaged. (*Effective 1/1/2011 food sales subject to 2% Arena Occupation tax.*)
- **Free Will Donation:** Fundraiser where there is no preset fee required for service or goods received.
- **Game room funds**
- **Garage Sales if the group is only have one per calendar year**
- **Gift Certificates:** Sales-tax is paid at redemption
- **Golf tournament fees**
- **I.D. Cards**
- **Occasional Sales: if the group only has one per calendar year**
- **Massages (Taxable unless therapeutic)**
- **Raffle Tickets**
- **Registration Fee**
- **Reimbursements:** When sales tax was charged on the purchase.
- **Silent Auction:** The receipts from a silent auction are taxable to the extent of the Fair Market Value of the items auctioned. Amounts received above the Fair Market Value of the items sold are considered donations.
- **Sweatshirts:** See Clothing
- **T-Shirts:** See Clothing
- **Tournament Fees**
- **Turkey sales**
- **Work Auction proceeds**