



Operational Area	Business and Finance
Responsible Executive	Vice President of Administration and Finance/CFO
Responsible Office	Office of the Controller
Effective	May 1, 2026

# Sales Tax Policy

## Business and Finance

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## I. INTRODUCTION

- A. **Authority:** C.R.S. § 23-54-102, et seq. (2026) authorizes the Trustees of Metropolitan State University of Denver (“MSU Denver” or “University”) to establish rules and regulations to govern and operate the University and its programs. The Board of Trustees (“Board” or “Trustees”) retain authority to approve, interpret, and administer policies pertaining to University governance. The Trustees authorize the President of MSU Denver to approve, administer, and interpret policies pertaining to University operations.
- B. **Purpose:** The purpose of this policy is to define guidelines and to ensure that MSU Denver complies with sales tax regulations for the State of Colorado, City and County of Denver, and Special Districts, as well as areas of nexus. It is the policy of the University to ensure we remain compliant with all applicable tax laws and regulations. [MSU Denver Foundation](#) is a separate legal entity and may be subject to different sales tax regulations. Please contact the Foundation at 303-615-0065 or [ua@msudenver.edu](mailto:ua@msudenver.edu) for further clarification.
- C. **Scope:** This policy applies to employees and departments of Metropolitan State University of Denver.

## II. ROLES AND RESPONSIBILITIES

- A. **Responsible Executive:** Vice President of Administration and Finance/CFO



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- B. **Responsible Administrator:** MSU Denver Controller
- C. **Responsible Office:** Office of the Controller
- D. **Policy Contact:** Accounting Services Office, 303-615-0039

### III. POLICY STATEMENT

#### A. When to Collect Sales Tax:

1. Whenever the University sells or rents tangible, personal property, digital items, the sale or rental is subject to sales-tax requirements. It is the practice of MSU Denver to assume that the item or product being sold or rented is taxable, unless specifically excluded by statute.
2. The sale of used items requires the collection of sales tax.
  - a. Sales of tangible, personal property sold through vending machines or honor boxes are subject to sales tax.
  - b. Required donations that entitle the donor to receive tangible, personal property are taxable. The total consideration paid is the taxable amount of the sale.
3. When there is a "reimbursement" that exchanges tangible, personal property for money, a sale has occurred, and sales tax is to be collected. For example, a department or student club that purchases items to be "reimbursed" by its employees or club members has generated a sale, and sales tax is to be collected.
4. Auctioned items are subject to sales tax. Tax should be collected on the winning bid of the auctioned good.
5. Sales tax may be waived for a customer if the customer provides a copy of their current tax-exempt certificates, both for the State of Colorado and the City and County of Denver. Invoices and payments must match the entity name on each exemption certificate/letter. The burden of proof for the exemption is on the person affirming the claim of exemption. Copies of exemption certificates/letters must be obtained by the department making the sale and remitted with the deposit transmittal to the Cashiering Office or the Foundation Office, as applicable. If MSU sells items to other entities with the purpose of resale, the sales tax should not be charged. A sales tax license should be presented and attached to the [deposit transmittal form](#).



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6. Sales of most services are not taxable. However, if a sale involves both goods and services, such as a service call that involves charges for both parts and labor, the parts (tangible property) are taxable, but the labor (service) is not. The sale should separately state the labor from individual parts. Failure to do so can cause the entire amount of the sale to be taxable.
  7. MSU Denver's [Other Revenue-Generating Activities and Programs Policy](#) should be followed when implementing new departmental revenue streams.
- B. When to **Pay** Sales Tax.
1. The University is exempt from paying sales tax on purchases for its own departments. However, we are not exempted from paying sales tax to other states unless we have applied and been approved.
  2. Sales tax is not required when purchasing items for the purpose of reselling or fundraising.
  3. For events that require a registration fee (such as banquets, fundraisers, educational seminars or conferences), then catering, lodging, equipment rental, and all tangible personal property used for the event becomes taxable in the City and County of Denver.
  4. Using personal funds and expecting a reimbursement will require the buyer to pay the appropriate sales tax. The University's sales-tax exemption may not be used in conjunction with personal funds. The University will not reimburse paid sales tax. Reimbursing the University for personal items or accidental personal purchases is strictly prohibited. Requests for refunds from vendors are required.
- C. Determining How Much Sales Tax to **Charge**:
1. The amount of sales tax charged depends upon the following factors:
    - a. The type of item being sold;
    - b. The tax rate in effect at the time of the sale; and
    - c. Where the sale takes place, i.e., where the buyer takes ownership of the product.
  2. Once completing the requirements in the Other Revenue Generating Activities and Programs Policy, please contact the Office of the Controller (OTC) 303 615-0039 before selling any items. The OTC will provide current rates and rules regarding tax amounts.



**President's**  
Policy Statement  
University Policy Library

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#### D. Items for Special Attention:

1. **Catering Services (prepared food):** Catering service is a taxable service in the State of Colorado and the City and County of Denver. Therefore, when a registration fee is required for admittance into an event, MSU Denver's sales-tax exemption becomes null and void. State and city sales tax must be paid on catering, food, beverages, lodging, equipment rentals, or any other taxable items used for the event.
2. **Non-Taxable Food Sales:** Certain types of food being sold are not taxable. These types include:
  - a. Food purchased for human consumption at home. Examples include cereal, fruits, and vegetables, or any other produce.
  - b. Seeds and plants that produce food for human consumption.

#### E. Operational Aspects of Sales Tax:

1. **Displaying the Sales Tax License**
2. MSU Denver, Aurora, Greenwood Village and Northglenn each have their own State of Colorado Sales Tax License and City Sales Tax License. Sales Tax licenses are required to be posted in a conspicuous place where the sale is occurring.
3. The [Accounting Services Office](#) obtains and renews all sales-tax licenses. Individual departments are prohibited from getting their own or renewing existing licenses. If you believe additional licenses are necessary, contact the Tax Compliance Accountant, at the OTC (303) 605-0039.
4. **Remitting Sales Tax:** The Office of the Controller is responsible for remitting the tax payment and submission of the Sales Tax return. Individual departments must not submit their own.
5. **Charging Sales Tax:** Sales tax should be charged as a separate line item at the time of the sale. This is the preferred practice at MSU Denver. Alternately, a conspicuous sign should be displayed that shows the price of each item and separately states the amount of tax for each item offered for sale. In a limited number of circumstances, it may be permissible to impute sales tax after the fact. Work with the Tax Compliance accountant to determine the most appropriate method for your operation.



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#### 6. Recording Sales Tax:

- a. Sales tax collected should be deposited in the University’s tax liability accounts by the last day of the month in which the sale took place.
- b. 230100: Current Liability-Sales Tax Liability, OTC Use Only- City of Denver Sales Tax Denver **DO NOT DEPOSIT SALES TAX INTO YOUR DEPARTMENTAL work tags!**
- c. A copy of each Sales Record Report on which sales tax was collected must be submitted to the Cashiers Office with the deposit transmittal for audit support. If a buyer is claiming sales tax exemption, then a copy of the sales tax exemption/letter must be submitted with the deposit transmittal to the Cashiering Office. Funds classified as donations are not sales and should be managed and processed by the MSU Denver Foundation and are outside the scope of this policy.

## IV. DEFINITIONS

1. **Nexus** means having a satisfactory physical presence whereby the local taxing jurisdiction can impose its taxes on sales. Nexus is created if MSU Denver maintains a temporary or permanent presence of people or property in a particular area.
2. **Sales Tax** is a transactional tax charged when a buyer purchases tangible personal property or certain taxable services. Sales tax is levied upon the transaction itself which applies to both profitable and unprofitable transactions. Tax is charged on the sales price.
3. **Tangible, personal property** examples include food and beverages, publications, t-shirts, mugs, pens, books, etc.
4. **Taxable services** include informational services, catering services, lodging services, telecommunication services, and energy producing services, such as commercial gas and electrical service, steam, telephone, and transportation charges.

## V. RELATED INFORMATION

- A. [MSU Denver Office of the Controller](#)



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- B. [MSU Denver Accounting Services Office SharePoint Site](#)
- C. [MSU Denver Office of Cashiering](#)
- D. [MSU Denver Deposit Transmittal Form](#)
- E. [Other Revenue-Generating Activities and Programs Policy](#)
- F. [Colorado Department of Revenue-Taxation Division](#)
- G. [Colorado Retail Delivery Fee Rates](#)
- H. [MSU Denver Foundation](#)
- I. [Auraria Campus Resources](#)

## VI. POLICY HISTORY

- A. **Effective:** May 1, 2026
- B. **Revised:** 2026 revisions updated collection of sales taxes processes and removed obsolete collection processes; July 1, 2019.
- C. **Original Enactment Date:** July 1, 2015
- D. **Review:** This policy will be reviewed every three years or as deemed necessary by University leadership.

## VII. POLICY APPROVAL

Janine Davidson, Ph.D.  
President, Metropolitan State University of Denver

N/A

Chair, Board of Trustees, Metropolitan State University of Denver