

Texas Sales and Use Tax Report Procedures

A Texas Sales and Use Tax Return must be submitted and the tax paid to the State Comptroller each month for the prior month's sales. All sales are reported, which includes non-taxable, taxable, and tax-free day sales. The applicable sales tax rate based on location is applied to the taxable sales to calculate the tax due to the state.

A ½% discount is allowed if the report is submitted and the tax is paid timely by the 20th of the month following the end of each reporting month.

A \$50 late filing penalty will be assessed by the State Comptroller on every report filed after the due date. This penalty is due in addition to any other penalties assessed for the reporting period.

Though the report may be submitted and paid in a timely manner, effectively they may not be considered timely if amounts that should have been reported as sales were not. Therefore, it is important to correctly classify sales revenue and submit deposits for posting in a timely manner to avoid penalties.

Finance submits the Texas Sales and Use Tax Return and tax payment for PfISD electronically via [Web File](#) on the State Comptroller's website no later than the 19th of each month to allow for overnight processing of the electronic payment. The sales tax due to the state is paid out of the Campus Activity bank account since it can only be sent electronically from one bank account.

All sales are reported based on transactions posted to the sales revenue accounts, plus Copy Center sales to those outside the district, and Student Activity sales*. The sales types are taken from the deposit descriptions as noted for each type of sale (TS = taxable sales, NT = non-taxable sales, TF = tax free sale day).

The total amount of sales tax paid to the state each month is deducted from the Campus Activity sales revenue accounts that received taxable sales for the prior month. A copy of the monthly Texas Sales and Use Tax spreadsheet is attached to the manual journal posting these deductions to provide details for the amount being deducted. Since Campus Activity (Fund 461) budgets are based on actual revenue, if sales revenue is reduced for sales tax paid, the expense budgets are reduced accordingly.

* For Student Activity Sales

- Each high school and middle school must complete and submit a monthly Student Activity Sales Tax spreadsheet to Finance no later than the 5th of each month (for prior month sales).
- The Student Activity sales and sales tax are verified and then added to the district's sales tax report.
- A funds transfer is processed by Finance for Student Activity to reimburse Campus Activity for sales tax paid to the state on taxable Student Activity sales.