

University of Utah  
University Campus Store  
**Textbook Sales Tax Exemption Guidelines**  
3-31-08

**Introduction:** U of U Administration, Associated Students U of U (ASUU) and the University Campus Store (Bookstore) recognize the impact that the high cost of textbooks has on students. With the support of ASUU, faculty and the Campus Store, many programs have already been implemented at the campus level to help reduce the overall cost of textbooks to students. These programs include guaranteed buyback, e-books, textbook rental, and increased availability of used textbooks. The U of U recognizes that ASUU took a lead role in promoting a sales tax exemption on textbooks. Such an exemption will have a significant impact on reducing the overall cost of textbooks to students.

**Basis of Exemption:** The University of Utah is recognized by the Internal Revenue Service (IRS) as a 501(c)(3) charitable institution. The University of Utah is also considered a political subdivision of the state of Utah for certain purposes. Due to discrepancies in the Utah code for sales tax applicability on sales from a charitable organization versus a political subdivision, the Utah State Tax Commission has clarified that a charitable organization, regardless of political subdivision status, may exempt mission related sales from sales tax under Utah Code Section 59-12-104(8). The sale of textbook materials supports the mission of The University of Utah ... “to serve the people of Utah through ... the dissemination of knowledge by teaching, publication, artistic presentation and technology transfer; and through community engagement.” Textbooks play a significant role in fulfilling the teaching mission of the University of Utah. Therefore, the sale of textbooks through the University Campus Store, a department of the University of Utah, is exempt from Utah state sales tax.

**U of U Textbook Sales Tax Exemption Guidelines:** The implementation of the textbook sales tax exemption will be specifically limited to certain transactions consistent with Utah State Tax Commission clarification to maintain the best interest of University students and the long-term viability of the sales tax exemption. For purposes of the textbook sales tax exemption, the U of U has defined textbooks as printed or electronic reading or reference materials requested through the textbook adoption process by a University department, professor, or teaching assistant, to be available and sold through the University Campus Store (also applies to course packets sold through Print and Copy Services). These textbooks and course packets are defined as and limited to:

- Required, recommended, or optional bound textbooks/course packets.
- Required, recommended, or optional electronic textbooks.
- Required, recommended, or optional rental textbooks.
- Required, recommended, or optional study/class aides.

All other goods sold through the University Campus Store will be subject to the applicable sales tax, including all other educational materials or products, such as blue books, computer hardware, system software, school/office supplies and art supplies.

**Effective Date of Exemption:** March 31, 2008