



Ohio Administrative Code

Rule 3341-6-63 Sales tax on business purchases.

Effective: May 18, 2026

(A) Policy statement and purpose

The purpose of this policy is to ensure compliance with Ohio law and the Ohio auditor of state (AOS) bulletin 2025-013.

(B) Policy scope

This policy applies to all purchases made by employees for official university business in situations where Ohio sales tax would be applicable.

(C) Policy

The university, as a tax-exempt public office under division (B)(1) of section 5739.02 of the Revised Code, is exempt from Ohio retail sales tax. However, this exemption has four specific limitations.

First, the tax exemption is not transferable to an individual employee.

Second, the exemption applies only when the sale is made to and paid for by the university directly.

Third, purchases made by employees using personal credit cards or checking accounts are considered sales to the employee, not the university, and are therefore subject to sales tax.

Fourth, an employee shall not use the university's tax-exempt certificate when making a purchase with personal funds, including personal credit cards.

(D) Procedures

(1) Direct university purchases (tax exempt)

Purchases made directly by and charged to the university are considered tax-exempt. To help ensure the tax exemption is applicable, employees should take the following steps:

- (a) Use a university-issued credit card (P-card) or official purchase order through falcons purch.
- (b) Make sure the invoice or bill of sale clearly indicates that the sale was made to Bowling Green state university, not the individual employee.



3341-6-63

2

(c) If sales tax is incorrectly charged on a direct university purchase, the responsible employee or budget administrator should first seek to resolve the issue with the vendor. If this step does not succeed, the budget administrator must seek to recover the sales tax by submitting a refund application to the Ohio department of taxation on behalf of Bowling Green state university.

(2) Indirect purchases using employee funds (subject to tax)

If an employee uses their own personal funds (such as cash, credit card, or checking account) to make a purchase on behalf of the university, the transaction will be subject to sales tax. Personal funds must not be used to make any purchase totaling five hundred dollars or more except that, when an employee is traveling on university business, personal funds up to seven hundred fifty dollars may be used to pay for lodging.

For purchases below the applicable threshold, the following rules will apply:

- (a) The employee must pay the applicable sales tax at the point of sale and cannot use the university's sales tax exemption form.
- (b) The university will reimburse the employee for the pre-tax amount of the expenditure.
- (c) The university may, at its discretion, choose to reimburse the employee for the sales tax paid, provided that the expenditure was for a proper university purpose and is in accordance with this policy.
- (d) The university will not reimburse an employee for sales tax paid if the goods or services could have been procured through an existing university contract, the use of falcons purch, or the use of a university P-card in conjunction with the university's sales tax exemption form.

If the full purchase price will equal or exceed five hundred dollars, or seven hundred fifty dollars for lodging, the employee must use a P-card or falcons purch to avoid incurring an unnecessary tax expenditure.

(E) Auditor of state enforcement



3341-6-63

3

If an employee fails to adhere to this policy's guidance concerning the use of the university's tax-exempt status and/or reimbursement for expenditures, it could result in the Ohio auditor of state making a finding for recovery against that employee.