

## Chapter 3580 - Cash Purchases

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### 3580 CASH PURCHASES

(REVISED 1/81)

Board of Control Rule 678 (effective January 6, 1981) permits agencies to make immediate payment from revolving funds (when funds are available) for invoices payable by cash of \$50 or less not including sales tax, and for invoices payable by authorized bank drafts of \$500 or less inclusive of sales tax if approved in accordance with SAM Section 8123. Sub-purchase orders are not required to affect or make record of purchases under \$100. All purchases of \$100 or more must be made on a Contract Delegation Purchase Order, STD. 65, or other comparable document approved by the Office of Procurement, Department of General Services. This is not an implied approval for the purchase of items requiring clearance of the Office of Procurement, Department of General Services.

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### 3585 EXCISE TAX EXEMPTION ON PURCHASES

(REVISED 9/85)

The State is exempt from the payment of Federal Excise Taxes, except for the purchase of retreaded tires and transportation of persons or property by air. This tax is normally billed as a "concealed tax" in the price of the merchandise; hence, it is the exclusive responsibility of any person authorized to sign an order on the part of the State to see that this is not paid. This is done by filing an exemption certificate with the order. (The Exemption Certificate, STD. 802, is available from Department of General Services, Office of Procurement, Material Services Section.) At the same time, write across the face of the order, "Exemption Certificate Attached" and write on the Exemption Certificate the number of the order or sub-purchase order.

To find out what is normally subject to tax and the percentage of tax, refer to the "Scope of Tax" list. Then ask your supplier if his price includes excise tax. If so, determine the amount and deduct this from the price to establish the cost of the material less tax.

On purchases where the excise tax amounts to less than \$0.50 (total) made from small dealers or merchants who are unfamiliar with the means by which they can obtain reimbursement, do not claim exemption. This also applies where automotive repairs are made in conjunction with the purchase of automotive parts and a State discount is allowed by the selling garage. However, a small merchant who does business with the State on a "repeat" basis on items subject to excise tax should be familiar with how he is able to get a refund by turning in the Exemption Certificate. If in doubt, contact the nearest office of the Office of Procurement for advice.

SCOPE OF TAX

Excise taxes are imposed by the Internal Revenue Code. The rates of tax now in effect are shown by the following list:

<b>Taxable</b>	<b>Tax Rate</b>
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### **Retailers' Excise Taxes**

Diesel fuel & special motor fuels	.15 per gal.
Noncommercial aviation — special fuel	.14 per gal.
— gasoline	.12 per gal.
Heavy trucks & trailers	.12%
Truck & trailer parts & accessories	.12%

### **Manufacturers' Excise Taxes**

Trucks, buses and trailers  
Truck parts and accessories

#### **If the tire weighs:**

#### **The rate of tax is:**

Tires —Not more than 40 lbs.	No tax
Tires—More than 40 lbs. but not more than 70 lbs.	\$ .15 in excess of 40 lbs.
Tires—More than 70 lbs. but not more than 90 lbs.	\$4.50 plus 30 cents a lb in excess of 70 lbs.
Tires—More than 90 lbs.	\$10.50 plus 50 cents a lb in excess of 90 lbs.
Gasoline	\$.09 per gal.
Fishing equipment	10%
Pistols and revolvers	10%
Other firearms, shells & cartridges	11%

### **Facilities and Services Taxes**

Local & toll telephone service, teletypewriter services	3% of amount billed
Transportation of persons by air	8% of amount paid
Transportation of property by air	5% of amount paid

### **Alcohol Taxes**

Distilled spirits	Various rates
Wines (for experimental or research use only)	Various rates

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