

SAM-PURCHASES

TRANSACTIONS (SALES) AND USE TAX

(Revised 12/90)

3574.3

In addition to the local sales and use tax described in SAM Section 3574.2, numerous counties have enacted ordinances establishing special taxing districts that impose one or two-and-one-half percent transactions and use taxes. The tax is imposed on the retailers and applies to sales to State agencies. State agencies taking deliveries of tangible personal property for use within the counties that have imposed these district taxes will pay this tax when such tax is added to the sales price by the retailers.

Effective January 1, 1988, sellers or lessors of vehicles, aircraft or undocumented vessels are required to collect the district tax imposed in the county of registration. If the tangible personal property is purchased in a county that does not have a district tax and is brought into a county that does impose a district tax the agency should report and pay the district use tax unless the property is a vehicle, vessel or aircraft and the tax has been collected by the seller.

This tax does not apply to contracts of sale for a fixed price agreed to and executed prior to the effective date of the district tax if neither party has the unconditional right to terminate the contract.