

## **SAM—MISCELLANEOUS ACCOUNTING PROCEDURES**

### **APPLICATION OF STATE-ADMINISTERED DISTRICT USE TAX**

**8735.2**

(Revised 12/01)

After the effective date of the district taxing ordinance, State agencies will report to the BOE and pay the district use tax applicable to purchases in the same manner as prescribed for reporting the State use tax. The district use tax is applicable to purchases of tangible property to be used within the district, but purchased from vendors located outside the district who do not hold certificates of authority to collect use tax. The district use tax does not apply to fixed price sales contracts executed before the effective date of the ordinance if neither party has the unconditional right to terminate the contract.