

## **SAM—MISCELLANEOUS ACCOUNTING PROCEDURES**

### **ACCOUNTING FOR SALES TAX**

**8725**

(Revised 12/01)

Accounting for sales tax by funds for other than Governmental Funds varies depending on the type of operation. The following instructions apply to Governmental Funds.

Sales tax billed or collected will be considered as an expenditure and/or abatement to the appropriation available for State operations at the time of sale. The amount of sales tax billed or collected will be credited to Account No. 9000, Appropriation Expenditures, and to a separate sales tax allotment account that will be established in the Allotment-Expenditure Ledger.

At the end of each reporting period, a claim payable to the BOE for the amount of sales tax liability computed on the sales and use tax return will be prepared. This claim will include any use tax liability that accrued during the reporting period. See SAM Section 8732. The sales tax liability will be charged to Account No. 9000, Appropriation Expenditures, and to the sales tax allotment account in the Allotment-Expenditure Ledger. See SAM Section 8733 for use tax accounting instructions. The filing of this claim may result in a small debit or credit balance in the sales tax allotment account. This is due to overages or shortages in individual amounts of tax collected in relation to the total sales tax liability for the reporting period. State agencies will not be required to submit budget revisions for small debit balances in the sales tax allotment account after filing this claim.