

CENTRAL WASHINGTON UNIVERSITY

SUBJECT: Taxes Affecting Central Washington University

University departments are responsible to work with the Accounting Department to report, collect, and pay any tax liability applicable to their respective enterprises. The Director of Accounting is available for assistance and as a resource for coordinating tax processing within the university accounting system.

CWU, as a political sub-division of the State of Washington, is excluded from federal income taxes under Section 115(a) of the Internal Revenue Code. However, certain revenue-producing activities of the University may produce revenue that is unrelated to the primary mission of the University and therefore subject to Unrelated Business Income Tax.

CWU is subject to paying the Washington State Sales and Use Tax on certain consumable goods and services. Likewise, various University departments that sell goods and services may be required to charge and collect sales tax to our customers.

Although exempt from State Property Taxes, the University must normally charge and collect Leasehold Excise Tax when University properties are leased to private enterprises or when private enterprises use University land or facilities to conduct revenue generating activities.

As an employer, the University is subject to federal and state Payroll taxes.