

## Student Extraclassroom Activity Fund Informal Tax Chart Q & A

10-11-2019

**General:**

1. Student organizations and their activities, both buying and selling, are New York state taxable.
2. If you have to pay sales tax on an item or event in the outside world, you have to pay sales tax as a student organization.
3. The school district is the tax free entity. The student organization is the taxable entity. It is illegal, a violation of NYS tax law, to use the school district's tax free status (the districts NYS tax exemption number) to avoid the payment (or collection) of sales tax.
4. You can read more on student organization taxable status on the SDIAA Message Board. You can post tax questions on the SDIAA Message Board. Website: [www.Superintendentofschools.com](http://www.Superintendentofschools.com) ,top of right column on the home page "Message Board," registration necessary.

| <u>TAXABLE ITEMS</u>  | <u>NOT-TAXABLE ITEMS</u>   |
|---|--|
| Vending machine sales<br>Items selling for more than \$1.50 and not on the exempt food list.  | Vending machine sales<br>Items selling for less than \$1.50 and on the exempt food list.   |
| Candy, soda, soft drinks, fruit juice less than 70% fruit juice   |  |
| Prepared food, eaten at the point of sale or "take-out" is taxable (like at a restaurant or supermarket deli) <ul style="list-style-type: none"> <li>- Spaghetti dinners</li> <li>- Pancake breakfasts</li> <li>- Make a sub</li> <li>- Ice cream social</li> <li>- Prepared pizza</li> <li>- Hot coffee, tea, or chocolate</li> <li>- Chicken BBQ</li> <li>- Smoothies</li> <li>- Carmel/Candy coated snack foods</li> </ul> | Food in bulk (caned, packaged, frozen) or food not prepared is not taxable (like at a supermarket). <ul style="list-style-type: none"> <li>- Frozen pizza</li> <li>- Bulk popcorn [un-popped]</li> <li>- Uncooked meat (chicken, etc.)</li> <li>- Canned, bottled [bulk], packaged food</li> <li>- Whole pie from bakery</li> </ul> Hot coffee, tea, or chocolate from vending machine |
| Bake/Cookie - concession food<br><br>NOTE 1: Some districts prohibit all student bake sales, or only permit food from certified kitchen prepared bake sales - only after school<br><br>See more NOTES   | Bake Sales<br>NOTE 2: In NYS bake sales are not be permitted during the school day, under the NYS "Smart Snacks" Law and Federal "Healthy, Hunger-Free Kids Act of 2010".<br>NOTE 3: Some districts prohibit home baked items, only items from health inspected kitchens.<br>NOTE 4: District insurance prohibits (high risk)  |
| Concession stands sales   |  |
|   | <i>More on back</i>  |

| <u>TAXABLE ITEMS</u>   | <u>NOT-TAXABLE ITEMS</u>   |
|--|--|
| Admissions to prom, dances [band or DJ], movie nights, dinner cruises, variety shows, magic shows, etc.<br>Sales from Photo Booth where separate charge is made  | Admission to dramatic (play), musical arts performance, or choreographed performance to music (including color guard admissions and live circus performances) See: NYS Tax Bulletin TS-8 |
| Drama club party<br>Sports banquets, Class banquets [Ex: Senior Class]   | Zoo  |
| Sports camps run by extraclassroom activity or booster organization [if NOT 501.c.3]<br>Exhibition Powder Puff football game   | Sports camps run by the school district or booster organization [if 501.c.3]<br>NOTE: Sports camps run by coaches on school property are personal businesses and are illegal.            |
|  | Entertainment Books, Coupon Books, Gold Cards, advertising in programs   |
| Plants, trees shrubs<br>Flower sales   |  |
| Bookstore sales [both extraclassroom or district run]  | Newspapers, magazines  |
|  | Haircuts or hair styling   |
| Yearbooks  | Yearbook advertising   |
| Specialty catalog sales – AVON, candles, candy, wrapping paper, etc.   |  |
| Sale of “gift baskets”   |  |
| Babysitting (child watching) service for parents   |  |
| Class rings [all jewelry]<br>Graduation announcements<br>Caps & gowns [that students keep]   | Cap & gown rentals   |
|  | Gift cards   |
| <u>Admission (spectator) to a Walk-a-Thon, Run-a-Thon, Swim-a-Thon as a student organization fund raiser.</u>  | Walk-a-Thon, Run-a-Thon, Swim-a-Thon <u>participation</u> , or 501.c.3 run (organized and funds handled by a recognized, registered charitable organization)*                            |
| Student crafts or prepared food sold at a Crafts Fair or Arts Festival.  | Rental of space and tables to vendors at a Crafts Fair or Arts Festival.   |
| <b>DONATIONS FROM A STUDENT EXTRACLASSROOM ACTIVITY ORGANIZATION</b><br>In the wake of a tragedy it is not uncommon for a student organization to want to make a donation to help an individual or family. The donation from the student extraclassroom activity fund is being made with sales taxed money. The student organization may want to support a separate fund raiser being held by a tax exempt organization (foundation, food kitchen, church, etc.) to avoid the taxes. |  |
| <b>RAFFLES</b><br>NYS Racing and Gaming Law: <a href="http://www.racing.state.ny.us/charitable/Raffle_Information.htm">www.racing.state.ny.us/charitable/Raffle_Information.htm</a><br>“Only persons eighteen years of age or older shall purchase raffle tickets, sell raffle tickets, or conduct or assist in the conduct of a raffle drawing.” Districts prohibit both student and adult raffles on district property.  |  |

\* We recommend that the recognized, registered 501.c.3 charitable organization (American Cancer Society, Make-a-Wish, March of Dimes, etc.) register the participants, and collect and handle the funds.