Responsible Office: Financial Policy Office
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http://policies.fad.harvard.edu/

Sales, Meals, and Room Tax Exemption Guidance for Purchases and Travel

The University, as a nonprofit educational institution, is exempt from sales and use tax in Massachusetts and in many other states. Since sales tax is generally imposed when goods are purchased and consumed in the same state, sales tax does not apply when goods are purchased from an out-of-state vendor and shipped to Harvard. **In no case may Harvard's tax exempt certificates be used for personal purchases but may only be used for appropriate Harvard business.**

Tax Type	Harvard Expenses Expenses billed to Harvard, paid by University Corporate Card(s) or PCard, or out-of-pocket reimbursement
Meals Tax (also known as food sales tax)	
Purchased in Massachusetts	Exempt[1] - Provide ST-2 and ST-5 Forms to vendor as requested
Purchased Outside Massachusetts	May be Exempt[1] - See list of exemptions for other states
Room Tax (also known as occupancy or hotel tax)	
Purchased in Massachusetts	Not Exempt[2]
Purchased Outside Massachusetts	May be Exempt[2] - See list of exemptions for other states
Sales Tax	
Purchased in Massachusetts	Exempt[3] - Provide ST-2 and ST-5 Forms to vendor as requested
Purchased outside of Massachusetts Item to be used in Massachusetts	Exempt[3] - Provide ST-2 and ST-5 Forms to vendor as requested
Purchased outside of Massachusetts Item to be used outside of Massachusetts	May be Exempt[3] - See list of exemptions for other states
Value Added Tax (VAT)	
VAT is a general, broadly based consumption tax assessed in many foreign countries on the value added to goods and services. Purchases of goods or services to be used in the US should not have to pay VAT. See Office of the Controller Tax Office or contact tax_reporting@harvard.edu for additional information.	

[1]Meals Tax

The University is exempt from Massachusetts (and may be exempt in other states) Meals Tax under the following conditions:

- For a catered event or when an outside organization, such as a caterer, restaurant, or hotel is hired to provide meals for students, employees or Harvard guests.
- Individuals paying for a Harvard business meal using a PCard, Corporate Card, invoice or out-of-pocket are exempt from MA Meals and should take advantage of this exemption by presenting ST-2 and ST-5 forms when requested by the vendor.

[2]Room Tax (also known as occupancy or hotel tax)

Harvard is not exempt from Massachusetts room tax or required fees charged by hotels, motels, and inns, but may be exempt in other states. See a list of other state exemptions and required forms.

[3]Sales or Use Tax

- Harvard is exempt from Massachusetts sales tax for purchases made in Massachusetts.
- Harvard is exempt from Massachusetts use tax for purchases made outside Massachusetts but the purchased items are used in Massachusetts. This includes out-of-state on-line or telephone orders of items being shipped to and used in Massachusetts. This also includes items purchased outside of Massachusetts in-person but brought back to Massachusetts for use in Massachusetts. In-person purchases made outside of Massachusetts may be exempt, see the list of exemptions for other states and use any documents that apply.

Tax Forms

The two most important documents for Massachusetts sales tax exemption are the ST-2 and the ST-5.

- The ST-2 document states that Harvard University has been granted exemption from sales tax for purchases by the Commonwealth of Massachusetts.
- The ST-5 document is a certification that states a specific individual is making a purchase on behalf of Harvard University, and therefore it is exempt from sales tax. **The account holder/purchaser or school's Procurement or Finance Office must complete and sign the Agent Information section (Part 2) if required by the vendor.**
- The ST-5C is only used for contractors or subcontractors of Harvard University purchasing materials on Harvard's behalf. This document is rarely needed by the majority of the purchasing community. **The account holder/purchaser or school's Procurement or Finance Office must complete and sign the Agent Information section (Part A).**

Other Forms:

501(c)(3) Non-Profit Status

Harvard University is registered as a 501(c)(3) non-profit organization with the US IRS. This means that Harvard University is a non-profit organization for income tax purposes. Although the 501(c)(3) document signifies that Harvard is a tax exempt organization, the document itself is typically not provided to vendors for sales tax exemption purposes.

W-9

The W-9 is used for tax reporting purposes, much like an individual's social security number and may be sent to vendors upon request. See DUNS, Tax ID and EIN Numbers for more information.