

Interoffice

MEMORANDUM

To: Mr. Chris Jones
Assistant Basketball Coach

From: Ken Davis *KD*
Director, Tax Accounting

Subject: Colorado Sales Tax

Date: September 29, 1999

I have been able to find out some information about whether USA will have to pay sales tax in Colorado. A bulletin published by the Colorado Dept. of Revenue lists the following requirements that must be met in order for USA to be exempt from the sales tax:

1. Documentation of sales tax exemption in Alabama must be provided the vendor. I am enclosing Alabama Sales Tax Rule no. 810-6-3-.47.04, which exempts from sales tax those sales made to public schools. This rule would apply to USA.
2. Payment must be made from USA's funds. The Colorado Dept. of Revenue explained in an e-mail message to me that this does not mean reimbursing a coach who paid for the charges with a personal credit card and applied to USA for reimbursement. The bill must be paid by USA directly. The vendors should be contacted well in advance of the trip to make all necessary arrangements for bill payment by USA.

I will look into sales tax exemptions for Ohio, Illinois and Florida in the next week.

Enclosures (3)