
Chief of Administration

Maryland Sales Tax Exemption Procedures

To: All Staff

From: Jahantab Siddiqui
Chief Administrative Officer

The Accounting Department has established **Maryland Sales Tax Exemption Procedures** in accordance with the rules and regulations of the Comptroller of the Treasury of the State of Maryland to provide HCPSS employees with guidance on the proper use of the HCPSS Maryland sales tax exemption certificate number.

Howard County Public School System has been granted Maryland sales tax exempt status as an agency of Howard County Government. HCPSS is allowed use of the Howard County Government Maryland sales tax exemption certificate for the purchase of tangible personal property used in the educational process or in the operation or maintenance of the school system. Employees of Howard County Public Schools have a fiduciary responsibility to adhere to these procedures for use of the tax exemption certificate number.

The sales tax exemption certificate number may only be used to make purchases for HCPSS and only when procuring purchases with HCPSS funds. The sales tax exemption certificate card must be presented to the vendor when making purchases for HCPSS. Examples of permissible use of the sales tax exemption certificate number are purchases of supplies or materials for HCPSS with payment in the form of the following:

- Use of the Purchase Order System
- Use of the School Purchasing Cards
- Use of Direct Payment Form paid with school system check
- Placing an online order with the school's Office Depot and Staples online accounts or another approved Supplier.
- School Check

The Comptroller of the Treasury of the State of Maryland prohibits the use of the sales tax exemption certificate number for personal purchases. Use of the sales tax exemption certificate number for personal purchases may be considered employee misconduct under Board Policy 7030, Employee Conduct and Discipline.

Furthermore, in accordance with a State of Maryland mandate, employees are prohibited from using the sales tax exemption certificate number for school system purchases paid for with personal funds, even if the purchase directly benefits the school system. While HCPSS strongly discourages employees from using personal funds for purchases that benefit HCPSS, in the event an employee makes this type of purchase, they will not be reimbursed for the Maryland Sales Tax portion of the purchase.

Personnel responsible for distribution or use of the HCPSS Maryland sales tax exemption certificate must communicate explicitly the prohibition against use of the certificate for personal purchases and the responsibility for safekeeping of the sales tax exemption certificate number. In the event a purchase is made in violation of these procedures, the error should be brought to the attention of the Accounting Office at (410) 313-8205 immediately. Please contact Stacey Wells in the Purchasing department at (410) 313-6644 with any questions or concerns regarding use of the Maryland sales tax exemption.

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