

SAN JUAN COLLEGE BUSINESS SERVICES PROCEDURES

TOPIC: BUSINESS ACTIVITIES

Related to Board Policy: 801D

Taxability

1. If the Vice President for Business Affairs determines an activity to be an unrelated business activity, the revenues and expenses associated with that activity must be reported to the Internal Revenue Services (IRS) along with payment of the applicable income tax. A charge for the preparation costs associated with the tax return may be charged on a pro rated basis to the department conducting the unrelated business activity.
2. The Vice President for Business Affairs will also determine which receipts are subject to New Mexico governmental gross receipts tax. The tax liability and tax return preparation cost may be charged on a pro rated basis to the department conducting the business activity subject to the tax.

801D. 1

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