

CALTECH



Special Interest Articles:

- Sales/Use Tax Rate Increases
- Disbursement Goes Green
- Year-End Closing

Individual Highlights:

Sales/Use Tax	1
Going Green	1
Year-End Closing	1
JPL Shadow Day	2
Tax Withholding	2
Year-End Reminder	2

Sales/Use Tax Increase... Again!

Effective July 1, 2009 the sales and use tax rate increased to 9.75%. This rate applies to all cities with the exception of Avalon, El Monte, Inglewood, Pico Rivera and South Gate.

The tax rate in these five cities is higher, due to voter approved higher district taxes. For more information or to view the sales/use tax rate charts, please visit: <http://www.boe.ca.gov>.



**Sales and Use Tax Rate
Now 9.75%**

Disbursements *Goes Green*

Green business makes SENSE and saves CENTS!

Disbursements no longer prints check copies for internal records. Reliance is now placed on Payment Services' electronic systems to provide "proof of payment" as needed.

This new way of doing business benefits the environment and Caltech by saving paper, ink, effort, and storage space.



Year-End Closing Dates

It's that time of year again! Gather your invoices, payment requests, travel expense reports and submit them to Payment Services so that they are included in this fiscal year's budget. The major cut-off date for this year's closing is **9/18/09**.

Visit Procurement Services at: <http://procurement.caltech.edu/index.shtml> to view the "FY09 Year End Closing Memo" for other important closing dates.



Deadline Date: 9/18/09

JPL and Tax Reporting Unit Shadow Day



On August 19, 2009, members of JPL's Invoice Management Section (IMS) "shadowed" the Tax Reporting Unit. The purpose of the Shadow Day was to provide IMS staff members with an up-close look at how the Tax Reporting Unit does their tax reporting and withholding for 592B, 1042S, and 1099 payments.

Since JPL's IMS and Payment Services' Tax Reporting Unit work closely together on Institute tax reporting requirements, they continue to partner with each other on tax related issues.

California Income Tax Withholding



The California Franchise Tax Board regulations require the withholding (7%) of California income from payments made to nonresident independent contractors, including entertainers performing services in California.

Withholding is also required on other payments (i.e., rents, royalties) of California source income to nonresident payees. Payments made for personal services performed in California are California source income. Payments

made for rents/royalties when property is located in California are California source income.

Caltech will comply with all Federal and State tax laws with respect to withholding and year-end tax reporting. Visit http://finance.caltech.edu/policies/policy_tax.pdf to view Caltech's Tax Policy.

Year-End Accruals

Just a reminder to continue forwarding all invoices for FY09 to Payment Services received after the year-end deadlines timely. Receiving invoices timely is important so that they are accrued for inclusion in the FY09 Financial Statements. Another critical reason to forward invoices timely is the importance of paying suppliers timely. Timely payments help Caltech to maintain a good credit ranking, which is always important.

Reminder!!

