



# Comptroller of Public Accounts



Presented By Stefanie Medack  
Tax Policy Division

**TEXAS A&M**  
**AGGIE MOM**



# **Texas Sales Tax & Fundraising**

Fall Federation Workshops

August 29, 2015

# The Basics...

- Nonprofit that sells taxable goods or services must obtain a sales tax permit and collect and remit the sales tax.
- Selling entity is a retailer or seller and responsible for collecting, reporting and remitting the tax.
- Sales of tangible personal property are taxable unless an exemption exists for the item.
- If a sale is made for which an exemption is not available, then tax is due and must be collected.

## About you...

- Federation has IRS 501(c) (3) group exemption.
- Federation and subordinates are exempt from *payment* of sales tax on Texas purchases.
- Public listing of sales tax exempt organizations.
- Comptroller AP-204.
- Questions? Call (844) 519-5677 or email [exempt.orgs@cpa.texas.gov](mailto:exempt.orgs@cpa.texas.gov).



## Did you know...?

- A “**sales**” tax exemption is for items taxed under Chapter 151 of the Tax Code.
- **Not** cars (purchase, lease or rental), boats, gasoline or hotel rooms.



# Exempt Purchases

- Purchase, lease or rental of items tax free if related to organization's exempt purpose.
- Employee/volunteer cannot claim exemption for personal items. Must pay tax on travel expenses, even if reimbursed.
- Cash purchase by authorized agent--OK.
- Retailer not required to accept exemption certificate.

Comptroller Rule 3.322



# Texas Exemption Certificate

FORM 01-339 (back)

The exemption certificate does not require a tax number to be valid. It does require a *valid* reason for the exemption.

Comptroller Rule 3.287



01-339 (Back)  
(Rev. 4-13/8)

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**Texas Sales and Use Tax Exemption Certification**

*This certificate does not require a number to be valid.*

Name of purchaser, firm or agency <b>Federation of Texas A&amp;M University Mothers' Club</b>	
Address (Street & number, P.O. Box or Route number) <b>PO BOX 1433</b>	Phone (Area code and number) <b>(555) 555-5555</b>
City, State, ZIP code <b>Collage Station, Texas 77841</b>	

I, the purchaser named above, claim an exemption from payment of sales and use taxes (for the purchase of taxable items described below or on the attached order or invoice) from:

Seller: Party Goods USA

Street address: 145 Party Way City, State, ZIP code: Any town, Texas 88888

Description of items to be purchased or on the attached order or invoice:  
**Paper Napkins and Plates; Plastic Forks, Spoons and Cups.**

Purchaser claims this exemption for the following reason:

**Items purchased by Federation of Texas A&M University Mothers' Club, an exempt 501 (c)(3) organization, to be used at the annual back to school breakfast.**

I understand that I will be liable for payment of all state and local sales or use taxes which may become due for failure to comply with the provisions of the Tax Code and/or all applicable law.

*I understand that it is a criminal offense to give an exemption certificate to the seller for taxable items that I know, at the time of purchase, will be used in a manner other than that expressed in this certificate, and depending on the amount of tax evaded, the offense may range from a Class C misdemeanor to a felony of the second degree.*

sign here	Purchaser <i>Jane Doe</i>	Title Vice President	Date September 01, 2013
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NOTE: This certificate cannot be issued for the purchase, lease, or rental of a motor vehicle.

**THIS CERTIFICATE DOES NOT REQUIRE A NUMBER TO BE VALID.**

Sales and Use Tax "Exemption Numbers" or "Tax Exempt" Numbers do not exist.

**This certificate should be furnished to the supplier.  
Do not send the completed certificate to the Comptroller of Public Accounts.**





- **Website:**  
Comptroller.Texas.Gov
- **Tax Help:**  
[comptroller.texas.gov/taxhelp](http://comptroller.texas.gov/taxhelp)



The screenshot shows the homepage of the Glenn Hegar website, Texas Comptroller of Public Accounts. The header includes the name 'Glenn Hegar' and the title 'Texas Comptroller of Public Accounts'. A search bar is present with the text 'Search all CPA sites' and a 'GO' button. Below the search bar is a navigation menu with links for 'Home', 'About Us', 'Texas Taxes', 'Education', 'Finances & Economy', 'State Purchasing', 'Forms', and 'e-Services'. The main content area features a large banner for 'FISCAL NOTES' with the subtitle 'A Review of the Texas Economy from the Texas Comptroller of Public Accounts'. Below the banner are several sections: 'File/Report and Pay Taxes' with links for 'WebFile', 'Tax Forms', and 'TEXNET'; 'Most Popular' with links for 'Sales Tax', 'Local Sales and Use Tax', 'Franchise Tax', 'Property Tax', 'Texas Transparency', and 'Revenue Watch'; 'Apply For...' with links for 'Sales Tax Permit', 'Franchise tax accountability', 'Ag/Timber exemption', 'CMBL/HUB', and 'More...'; and 'Lookup Tools' with links for 'Franchise tax account status', 'Unclaimed property', 'eBay auctions', 'Tax-exempt entities', 'Find an ag/timber exemption number', 'Where the money goes', and 'Search state payments issued'. On the right side, there is a section titled 'How Can We Help You?' featuring a video tutorial 'Create a Webfile Account' and a 'News and Important Updates' section with several news items. At the bottom, there are sections for 'About', 'State Government', 'Other Comptroller Sites', and 'Connect'.



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The screenshot shows the official website of Glenn Hegar, Texas Comptroller of Public Accounts. The page features a navigation menu with categories like Home, About Us, Texas Taxes, Education, Finances & Economy, State Purchasing, Forms, and e-Services. A search bar is located in the top right corner. The main content area is divided into several sections:

- I Want To...**: A list of services including File Online with WebFile, Search Franchise Tax Account Status, Close or Reinstate a Business, Go to the State Tax Automated Research (STAR) System, Apply for an Agricultural and Timber Exemption Registration Number, Get Information About Requesting Refunds, Filing and Paying (Sales Tax Permit Application), File Online with WebFile Electronic Reporting and Fund Transfers, Alcohol Reporting, Exempt Organizations, Enterprise Zone Program, and Tax Forms.
- Tax Resources**: A list of resources including Practitioners' Corner, Tax Publications, Tax Laws, Rules and Policies, Private Letter Rulings and General Information Letters, Tax Calendar, Tax Rates, Interest Rates, Discounts for Taxes and Fees, Penalty Waivers, Disaster Relief Information, Audit-Related Information, Frequently Asked Questions, Open Data - Tax Files, Texas Taxes for Agriculture and Timber Industries, Other Tax-Related Sites, and Texas Revenue History by Source.
- Tax News**: A list of news items including Tax Seminars, Tax Mailings, and Tax Policy News.
- Contacts**: A list of contact information including Field Offices and Toll-Free Numbers.
- Overview of Texas Taxes**: A section providing an overview of the state's tax system, including a list of taxes and fees such as 9-1-1 Emergency Service Fee, Equalization Surcharge, Prepaid Wireless Emergency Service Fee, Wireless Emergency Service Fee, Automotive Oil Sales Fee, Bank Franchise, Battery Sales Fee, Boat & Boat Motor, Cement Production, Cigarette Tax, Cigar, Tobacco Products, Cigarette/Roill Your Own Special Fee, Cigarette/Tobacco Advertising Fee, Coastal Protection, Coin-Operated Machines Tax, Compressed Natural Gas (CNG) and Liquefied Natural Gas (LNG), Controlled Substances, Crude Oil, Diesel Fuels, Fireworks, Franchise, Gasoline, Hotel, Inheritance, Insurance Taxes, Assessments and Fees, International Fuel Tax Agreement (IFTA), Liquefied Gas, Loan Administration Fee, and Local Property.
- Local Sales & Use**: A list of local sales and use taxes including Manufactured Housing, Miscellaneous Gross Receipts, Mixed Beverage Gross Receipts Tax, Mixed Beverage Sales Tax, Motor Fuels Transporters, Motor Vehicle - Gross Rental Receipts, Motor Vehicle - Local Sports and Community Venue Sales and Use, Motor Vehicle - Sales and Use, Motor Vehicle - Seller-Financed Sales, Motor Vehicle - Texas Emissions Reduction Plan (TERP) Surcharge, Motor Vehicle - Texas Emissions Reduction Plan (TERP) Surcharge, Natural Gas, Oil & Gas Well Servicing, Oyster Sales Fee, Pari-Mutuel, Petroleum Products Delivery Fee, Property Tax, Public Utility Gross Receipts Assessment, Retail Charge Agreement Delinquency Fee, Sales & Use, School Fund Benefit, Sexually Oriented Business Fee, Sulphur, Texas Emissions Reduction Plan (TERP) - Off Road Heavy Duty Diesel Equipment Surcharge, and Telecommunications Infrastructure Fund (Repeated).
- What's New?**: A section highlighting new services like WebFile How-to Videos and Electronic Reporting and Paying.
- Most Popular**: A list of popular services including Tax Forms, Franchise Tax, Sales & Use Tax, Local Sales & Use Tax, and Property Tax.

At the bottom of the page, there is a "Fraud Robs You!" campaign with a "Report Fraud" button. The footer contains links for About, State Government, Other Comptroller Sites, and Connect.



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### Exemptions for Qualified Organizations

The Texas Tax Code provides tax exemptions for certain qualifying organizations, including 501(c) organizations, educational, religious and charitable groups; qualifying homeowners associations, and various other categories. Organizations are not automatically exempt from tax. Organizations must apply for exemption with our office. Depending on the category of exemption for which it qualifies, an organization may be granted exemption from sales, franchise or hotel tax. Although sales tax exemptions apply to purchases necessary to an organization's exempt function, the exempt organization must collect tax on most of its sales. See *Exempt Organizations — Sales and Purchases* (Pub. 96-122) (PDF, 405KB) for more information.

#### How to Apply

To apply for exemption, an organization must complete the appropriate application form for its exemption category listed below and send it to our office with the required documentation described in *Guidelines to Texas Tax Exemptions* (Pub. 96-1045).

An organization must show by clear and convincing evidence that it qualifies for exemption as that exemption is defined in Texas law and rules. Applications submitted **without** the required documentation will be returned.

- ☑ **Federal exemptions and all others** - Form AP-204 (PDF, 86k)  
For organizations with a federal IRS exemption, and eligible organizations not covered by the other categories listed below. This form **should not be used** to apply for a Texas Agricultural and Timber Exemption Registration Number.
- ☑ **Charitable Organizations** - Form AP-205 (PDF, 86k)  
A qualifying nonprofit charitable organization must be devoting its activities to providing food, clothing, medicine, medical treatment, shelter or psychological counseling directly to indigent or similarly deserving members of society for little or no charge.
- ☑ **Homeowners' Associations** - Form AP-206 (PDF, 302k)  
A qualifying homeowners' association must be a nonprofit corporation organized primarily to operate residential property. The individual owners must control at least 51 percent of the votes of the association.
- ☑ **Educational Organizations** - Form AP-207 (PDF, 64k)  
A qualifying nonprofit educational organization must be devoted solely to systematic instruction in the common accepted arts, sciences and vocations with a regularly scheduled curriculum, faculty, and an enrolled student body.

For information on sales tax exemptions available to qualified Texas schools, PTAs and more, see *School Fundraisers and Texas Sales Tax* (Pub. 94-183) (PDF, 412k).

- ☑ **Religious Organizations** - Form AP-209 (PDF, 61k)  
A qualifying nonprofit religious organization must primarily be an established congregation regularly meeting at a particular location for worship services.

#### Franchise Tax Responsibilities

Every taxable entity in Texas must file all franchise tax reports and the appropriate information reports, and must pay any amount due until the Comptroller's office has granted tax exemption. [Learn more about franchise tax exemptions.](#)

#### Exempt Search and Verification

Search our records and obtain online verification of an organization's exemption from Texas franchise tax, sales and use tax and hotel occupancy tax.

#### Other Related Search Tools

- Franchise Tax Account Status (Good Standing) Search**  
The Taxable Entity Search on the Certificate of Account Status page will indicate if a corporation searched is in good standing.
- Property Tax Exemption Status Search**  
Organizations engaged primarily in charitable activities under Tax Code Sec. 11.19(c) may be eligible for a property tax determination letter. To find out if an organization has been issued a property tax determination letter and is eligible to apply for local property tax exemption, use the Primary Charitable Organizations Eligible for Property Tax Relief search.
- To ☑ apply (PDF, 78KB) for property tax relief, the organization must be a statewide or local charitable organization as defined under Section 11.19(c) and be exempt from Texas sales tax as a 501(c) organization, or a 501(c)(2) organization that is exempt from the Texas franchise tax and holds title to property for a qualifying statewide or local charitable organization.

#### External Links

- Franchise Tax Statutes
- Franchise Tax Rule 3.583 - Margin Exemptions
- All Franchise Tax Rules - Revised rules begin with Rule 3.251
- Hotel Occupancy Tax Statutes
- Hotel Occupancy Tax Rules
- Sales Tax Statutes
- Sales Tax Rule 3.322 - Exempt Organizations
- All Sales Tax Rules

Required Plug-ins: Adobe Reader

<b>About</b> <a href="#">About CPA</a> <a href="#">Privacy and Security Policy</a> <a href="#">Accessibility Policy</a> <a href="#">Link Policy</a> <a href="#">Public Information Act</a> <a href="#">Texas Veterans Portal</a> <a href="#">Compact with Texans</a>	<b>State Government</b> <a href="#">Texas.gov</a> <a href="#">Search from the Texas State Library</a> <a href="#">State Link Policy</a> <a href="#">Texas Homeland Security Report Fraud</a>	<b>Other Comptroller Sites</b> <a href="#">Texas Transparency Texas Ahead</a> <a href="#">SECO</a> <a href="#">FASTexas</a> <a href="#">Every Chance Every Texan</a> <a href="#">Keeping Texas First</a> <a href="#">Fiscal Notes</a>	<b>Contact Us</b> <a href="#">Contact Us</a> <a href="#">Facebook</a> <a href="#">Twitter</a> <a href="#">YouTube</a> <a href="#">Subscribe via E-mail</a>
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### Texas Tax-Exempt Entity Search

Search and obtain online verification of nonprofit and other types of organizations that hold state tax exemption from:

- Sales and Use Tax
- Franchise Tax
- Hotel Occupancy Tax

Statewide group organizations might have one listing with "All Branches" as the city, rather than a separate listing for each local chapter.

#### Taxpayer Number Search

11-digit Taxpayer Number

Enter the entity's 11-digit Texas taxpayer identification number without any dashes or spaces. For example, enter 1-23-4567890-1 as 12345678901.

#### Organization Name/City/County Search

Organization Name

Organization Name search can be narrowed by combining this search with a city or county name below.

City

Searching by city name only will return a listing of all exempt organizations in that city.

County

Searching by county name only will return a listing of all exempt organizations in that county. This search includes Texas counties only.

The database is updated nightly to provide the most current and accurate information. If you are unable to find a listing for an organization that you believe is exempt, you may contact us at [exempt.orgs@cpa.texas.gov](mailto:exempt.orgs@cpa.texas.gov) or call us at 1-800-252-5555.

**Important – Please Read!**

Certain organizations are **not** required to apply for exemption under Texas law such as state, local and federal governmental entities. This includes Texas Independent School Districts. Therefore, these entities **may not** be found using this search, and an exempt verification letter may not be available to print for these entities using this application.

Furthermore, an exempt verification letter generated from this search for any entity is **not a substitute** for a completed **exemption certificate** that is required when claiming exemption from Texas taxes.

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Compact with Texans

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State Link Policy  
Texas Homeland Security  
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SECO  
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Every Chance Every Texas  
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[comptroller.texas.gov/tax](http://comptroller.texas.gov/tax)



EXEMPT ORGANIZATIONS SEARCH RESULTS FOR 32002693086

Last Updated 2015-08-04 05:10:09

Request Exemption Verification	Taxpayer No.	Name	City	County	State	Sales	Franchise	Hotel
<a href="#">Request Verification</a>	32002693086	FEDERATION OF TEXAS A&M UNIVERSITY MOTHERS' CLUBS	COLLEGE STA	BRAZOS	TX	SALES	FRANCHISE	NOT EXEMPT



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Austin, Texas 78774

August 17, 2015

FEDERATION OF TEXAS A&M UNIVERSITY MOTHERS' CLUBS  
COLLEGE STA TX

According to the records of the Comptroller of Public Accounts, the following exemption(s) from Texas taxes apply to the above organization(s):

Franchise tax, as of 01-01-2008

Sales and use tax, as of 09-04-1985

(provide Texas sales and use tax exemption certificate [Form 01-339 \(Back\)](#) to vendor)

The entity is not exempt from hotel occupancy tax.

Texas taxpayer identification number: 32002693086

Subordinates covered by this parent organization's group exemption, or entities covered by this category of exemption, may issue valid exemption certificates and although not required, may [apply](#) to be listed separately on our records.

This exemption verification does not mean that the organization holds a [permit](#) for collecting or remitting any Texas taxes.

Exempt organizations must collect tax on most sales. For more information, please see our publication [Exempt Organizations - Sales and Purchases](#) (96-122). [Online registration is available](#). For information concerning sales taxpayer permit status, please use the [vendor search](#) we provide online.

Corporations that are registered in Texas with the Secretary of State must maintain a current registered agent and registered office address. Information is available from [Business and Nonprofit Forms page](#) of the [Secretary of State's Website](#). Additionally, out-of-state corporations, limited liability companies, or limited partnerships transacting business in Texas may need to file a Certificate of Authority or Registration with the Texas Secretary of State. More information is available from the [Foreign or Out-of-State Entities page](#) on the Secretary of State's Website.

Our publications and other helpful information are available on our [website](#). If you need more information, write to us at [exempt.orgs@cpa.state.tx.us](mailto:exempt.orgs@cpa.state.tx.us), or call us at (800) 252-5555.



# Why You Are Here Today

Sales Tax

Collect or Not Collect?



# Two Tax-Free Sales Days

As an IRS 501(c)(3) group your organization may:

- Hold 2 tax-free sales days, with each day 24 consecutive hours only.
  - Can be back-to-back days for 48 hours.
  - Must designate tax-free days in advance.
  - Must notify customers of tax-free sale.



Comptroller Rule 3.322





# Two Tax-Free Sales Days

- Applies to taxable items sold for \$5,000 or less (can exceed \$5,000 if manufactured by nonprofit or if not sold to donor).
- A jointly held sale counts as a tax-free sale for each group.
- Can't collect the tax and keep it under the "tax-free sale" provision.



# Two Tax-Free Sales Days

- Advanced orders, pre-orders/pre-sales, orders taken over a period of time with delivery at a later date.
- Surplus inventory.
- “Sold out” items.



# Two Tax-Free Sales Days

- Issue resale or exemption certificate to purchase taxable items for resale.
- Reporting tax-free sales.
- Discussion of fundraisers that do not qualify under the one-day, tax-free sale provision.



Comptroller Rule 3.286

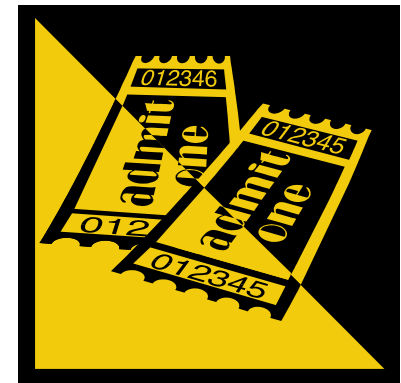


# Amusement Services

- Amusement services are exempt if nonprofit, other than IRC 501(c)(7), provides and does not benefit one individual.
- Nonprofit may hire a for-profit to “produce” the amusement if nonprofit held out as “provider” in brochures, flyers, tickets, ads, etc.
- Normally taxable amusement may qualify for exemption based on location where event occurs.



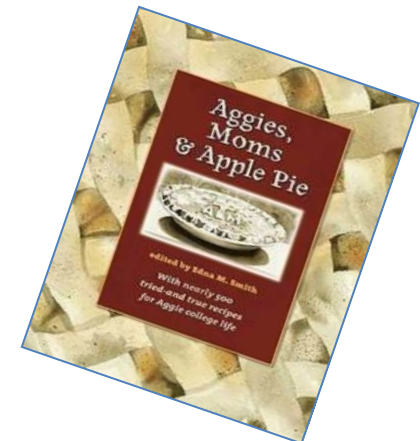
Comptroller Rule 3.298



# Exempt Writings

- Writings published *and* distributed by nonprofit religious, philanthropic, charitable, historical, scientific or other similar organization are exempt. Similar organization = 501(c)(3).
- Exempt writings include books, brochures, magazines, newsletters.
- Items that can be read, but primarily serve other purposes, are taxable (bookmarks, clothing, posters).

Comptroller Rule 3.299



# Nontaxable Items & Services



# Intangibles

No sales tax on the sale of intangibles:

- Gift certificates.
- Gift cards.
- Passbooks/coupon books.

- Raffle tickets? Beware!

[www.oag.state.tx.us/index.shtml](http://www.oag.state.tx.us/index.shtml)



# Nontaxable Food Products

- Boxes of fresh fruit.
- Frozen cookie dough, pizza kits (kit only--no tools).
- Mixes to be prepared at home (e.g., soup, dessert, bread, dip, pancake).
- Fresh cracked nuts.
- Cheese spreads.
- Bottled sauce, salsa, jelly, syrup.



Comptroller Rule 3.293



# Exempt Baked Goods

Bakery products are exempt unless sold with plates or other eating utensils.

- Pies, cakes, cookies, doughnuts, pigs-in-a-blanket, biscuits, bagels & baked goods with ingredients baked inside.
- Other eating utensils include bowls, spoons, knives & forks.
- Napkins or wax tissues are not eating utensils.

Comptroller Rule 3.293



# Annual Food Sale

**All** volunteer nonprofits may hold one annual tax-free **food** sale if:

- Not professionally catered;
- Not held in a restaurant or hotel;
- Not in competition with a retailer; and
- Food prepared by group's members.
- Alcoholic beverage sales are taxable.



# Annual Sales Tax Holiday

*Dates Change Annually – 2015 was Aug. 7 – 9*  
**2016 will be Aug. 5 - 7**

- Most clothing & footwear under \$100 (these sales do not count against the two one-day, tax-free sale days).
- Backpacks and specific school supplies for use by **elementary/secondary** students.

Comptroller Rule 3.365



# Donations

- Donations are not taxed, but take care in giving an item for the “donation” (baseball cap = donation amount).
- When is a donation a “sale”?





# Did you know?

- *Anyone* may purchase taxable items tax free to donate to your organization with exemption certificate.
- Item may not be used first and then donated.
- Seller may donate unused inventory.

Comptroller Rule 3.287

Comptroller Rule 3.285

# Sales Tax Permit





# Sales and Use Tax Permit

*Retailers: A seller may NOT accept a copy of this permit in lieu of a properly completed exemption or resale certificate. A certificate is necessary to document why tax is not collected on a sale.*


TAXPAYER NAME, BUSINESS LOCATION NAME, and PHYSICAL LOCATION

X	-----	X
X	-----	X
X	-----	X
X	-----	X
X	-----	X
X	-----	X
X	-----	X
X	-----	X
X	-----	X
X	-----	X
X	-----	X
X	-----	X
X	-----	X
X	-----	X
X	-----	X
X	-----	X

*You must obtain a new permit if there is a change of ownership, location, or business location name.*

Type of permit X-----X
Taxpayer number X-----X
Location number X---X
First business date of location X-----X

**DATABASE**

  
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**Taxing Internet Sales**  
Read about it in the August issue of Fiscal Notes.

**FISCAL NOTES**  
A Review of the Texas Economy from the Texas Comptroller of Public Accounts

**File/Report and Pay Taxes**  
WebFile   
Tax Forms  
TEXNET

**Most Popular**  
Sales Tax  
Local Sales and Use Tax  
Franchise Tax  
Property Tax  
Texas Transparency  
Revenue Watch

**Apply For...**  
Sales Tax Permit  
Franchise tax accountability  
Ag/Timber exemption  
CMBL/HUB  
More...

**Lookup Tools**  
Franchise tax account status (Certificate of Standing)  
Unclaimed property – find and claim  
eBay auctions for unclaimed property  
Tax-exempt entities  
Find an ag/timber exemption number  
Where the money goes – search state spending  
Search state payments issued

**How Can We Help You?**  
Featured Video Tutorial  
If you're new to WebFile, have never filed sales and use tax before, or just need a refresher on how to file and pay, watch How to Create a Webfile Account.

**News and Important Updates**  
FILING DEADLINES: Keep Track with our Texas Taxes and Fees Due Dates Calendar.  
[SPECIAL REPORT UPDATE] Comptroller Updates Tax Field Guide to include Changes From 84th Legislature 8/4/2015  
PRESS RELEASE: Comptroller's Office Offers Free State Tax Seminars for Business Owners 8/3/2015  
PRESS RELEASE: Texas Sales Tax Holiday This Weekend – Aug. 7 to 9 8/3/2015  
[FISCAL NOTES] August Newsletter Explores Thorny Issue of Taxing Internet Sales 8/3/2015  
[FROM THE DESK OF GLENN HEGAR] No Need to Borrow to Meet Cash-Flow Needs 7/15/2015

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# Texas Resale Certificate

- Issue resale certificate when nonprofit organization purchases merchandise for resale.
- Tax is due if you don't resell, but use the item.
- Number must consist of 11 digits that begin with a 1 or 3. The 9 digit Federal Employer Identification (FEI) number or social security number is not acceptable evidence of resale.

Comptroller Rule 3.285



SAVE A COPY CLEAR SIDE

Texas Sales and Use Tax Resale Certificate

Name of purchaser, firm or agency as shown on permit <b>Brazos County A&amp;M Mothers' Club</b>	Phone (Area code and number) <b>(555) 555-5555</b>
Address (Street & number, P.O. Box or Route number) <b>G Rollie White Blvd</b>	
City, State, ZIP code <b>College Station, Texas 77843</b>	
Texas Sales and Use Tax Permit Number (must contain 11 digits) <b>[ 1, 7, 4, 2, 3, 4, 1, 3, 3, 2, 1 ]</b>	
Out-of-state retailer's registration number or Federal Taxpayers Registry (RFC) number for retailers based in Mexico _____ (Retailer based in Mexico must also provide a copy of their Mexico registration form to the seller.)	

I, the purchaser named above, claim the right to make a non-taxable purchase (for resale of the taxable items described below or on the attached order or invoice) from:

Seller: Christmas Nurseries

Street address: 1234 Flower Way

City, State, ZIP code: Any Town, Texas 88888

Description of items to be purchased on the attached order or invoice:

**Poinsettias**

Description of the type of business activity generally engaged in or type of items normally sold by the purchaser:

**Poinsettias to hold for resale.**

The taxable items described above, or on the attached order or invoice, will be resold, rented or leased by me within the geographical limits of the United States of America, its territories and possessions or within the geographical limits of the United Mexican States, in their present form or attached to other taxable items to be sold.

I understand that if I make any use of the items other than retention, demonstration or display while holding them for sale, lease or rental, I must pay sales tax on the items at the time of use based upon either the purchase price or the fair market rental value for the period of time used.

I understand that it is a criminal offense to give a resale certificate to the seller for taxable items that I know, at the time of purchase, are purchased for use rather than for the purpose of resale, lease or rental, and depending on the amount of tax evaded, the offense may range from a Class C misdemeanor to a felony of the second degree.

sign here <u>Jenny Doe</u>	Purchaser Title President	Date September 01, 2013
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This certificate should be furnished to the supplier. Do not send the completed certificate to the Comptroller of Public Accounts.



- **Website:**  
Comptroller.Texas.Gov
- **Tax Help:**  
comptroller.texas.gov/taxhelp



The screenshot shows the official website of Glenn Hegar, Texas Comptroller of Public Accounts. The header includes the name and title, a search bar, and a navigation menu with categories like Home, About Us, Texas Taxes, Education, Finances & Economy, State Purchasing, Forms, e-Services, and Contact Us. The main content area is divided into several sections: 'Filing and Paying' (with links for Sales Tax Permit, Filing Requirements, etc.), 'Resources' (with links for Statutes, Rules, etc.), 'Sales and Use Tax' (with a sign-up for email updates and information on Texas sales tax), 'Recent Additions or Items of Interest' (with links for disaster declarations and tax refunds), 'Account Update Tools' (with links for applying for permits and changing addresses), 'Sales and Use Tax Statistical Data' (with links for historical data and reports), 'Tax News' (with links for seminars and mailings), and 'Related Links' (with links for local sales tax and reporting). On the right side, there are three boxes: 'What's New?' (with a link to WebFile How-to Videos), 'Electronic Filing' (with a 'Log in to Report or Pay' button), and '\$50 Late Filing Penalty' (with information on penalties). At the bottom, there is a 'Required Plug-ins' section (listing Adobe Reader) and a 'Connect' section (with links for social media and e-mail). A 'Fraud Robs You!' banner is also visible.



- **Website:**  
[Comptroller.Texas.Gov](http://Comptroller.Texas.Gov)
- **Tax Help:**  
[comptroller.texas.gov/taxhelp](http://comptroller.texas.gov/taxhelp)



**Glenn Hegar**  
Texas Comptroller of Public Accounts

Welcome to your official online window on state government services from the Texas Comptroller of Public Accounts.

Contact Us

Search all CPA sites  **GO**

We want to make our website better! Take our user survey.

Quick Start for: Citizens Business Government

Home About Us Texas Taxes Education Finances & Economy State Purchasing Forms e-Services

**Practitioners' Corner** Need More Information? Visit Texas Taxes

a One-Stop-Shop Tax Resource Center

**Filing and Payment**

- WebFile**  
Electronic reporting and payment
- Tax Forms**  
Index to all Texas tax forms
- Approved Franchise Tax Preparation Software Providers**  
Current list of approved franchise electronic submission and printable forms software providers.

**Tax Research**

- STAR System**  
The State Tax Automated Research (STAR) System is a searchable collection of all types of tax policy documents.
- Texas Statutes**  
Research statutes on the Texas Legislative Council Website
- Tax Rules**  
Research tax rules in the Texas Administrative Code
- Tax Publications**  
Subject matter index and numerical index to all tax publications.
- Frequently Asked Questions**  
Subject Matter index to all tax FAQs.
- Private Letter Rulings and General Information Letters**  
Information about Rule 3.1. Describes how the Comptroller may respond to a written inquiry for taxability guidance related to Texas tax laws, rules, and policies.

**Search Tax Databases**

- Franchise Tax Account Status**  
Determine if an entity's right to transact business in Texas is intact.
- Sales Taxpayer Search**  
Determine the status of a sales tax permit.
- Tax Exempt Entity Search**  
Determine the status of an exemption from Texas franchise, sales, and/or hotel tax.
- Sales Tax Rate Locator (now tablet and mobile phone friendly!)**  
Determine the local sales tax rate in a Texas taxing jurisdiction.
- Ag/Timber Exemption Number Registrants**  
Determine if a person holds an agriculture/timber registration number to make certain purchases tax-free.
- Qualified Research Registration Number Search**  
Determine if a person holds a qualified research registration number to make certain purchases tax-free.
- Direct Pay Permit Holders**  
Determine the status of a direct pay sales tax permit.
- Maquiladora Enterprise Search**  
Determine the status of a maquiladora export permit.
- Fuels License Search**  
Determine the status and type of fuels tax licenses held by a taxpayer.
- Registered Qualifying Data Centers**  
Determine that a qualified owner, occupant or operator claiming a sales tax exemption on items necessary and essential to the operation of a qualifying data center has a registration number issued by the Comptroller.

**About**

- About CPA
- Privacy and Security Policy
- Accessibility Policy
- Link Policy
- Public Information Act
- Texas Veterans Portal
- Compact with Texans

**State Government**

- Texas.gov
- Search from the Texas State Library
- State Link Policy
- Texas Homeland Security
- Report Fraud

**Other Comptroller Sites**

- Texas Transparency
- Texas Ahead
- SECO
- FASTexas
- Every Chance EveryTexan
- Keeping Texas First
- Fiscal Notes

**Connect**

- Contact Us
- Facebook
- Twitter
- YouTube
- Subscribe via E-mail



- **Website:**  
Comptroller.Texas.Gov
  
- **Tax Help:**  
[comptroller.texas.gov/taxhelp](http://comptroller.texas.gov/taxhelp)

A screenshot of the "Sales Taxpayer Search" web form. The page header includes "Texas Comptroller Glenn Hegar" on the left and "Home Contact Us Help" on the right. The form title is "Sales Taxpayer Search". Under the heading "Taxpayer ID", there are two input fields: "Taxpayer ID" with the value "17423413321" and a "Search" button, and "FEIN Number" with an empty field and a "Search" button. Below these are two expandable sections: "Location" and "Individual or Legal Name". At the bottom of the form is a "Reset" button.



- **Website:**  
Comptroller.Texas.Gov
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Texas Comptroller Glenn Hegar Home Contact Us Help

### Q Taxpayer Locations

This taxpayer has 1 location. [Q Another search?](#)

**Taxpayer**

Taxpayer ID: 17423413321  
Taxpayer Name: BRAZOS COUNTY A&M MOTHERS' CLUB  
Mailing Address: 7745 HIDDEN TRL  
BRYAN, TX 77808  
Permit Status: **ACTIVE**

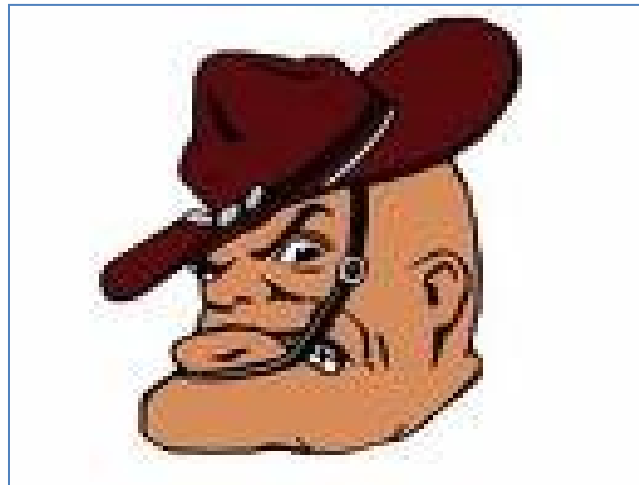
**Locations**

SORT: LOCATION NAME (A-Z)

LOCATION NAME	STATUS	ADDRESS	CITY, STATE, ZIP	LOCATION NUMBER	PERMIT BEGIN DATE	PERMIT END DATE
BRAZOS COUNTY A & M MOTHERS' CLUB	<b>ACTIVE</b>	G ROLLIE WHITE BLDG	COLLEGE STATION, TX 77843	00001	09/06/1990	

[Q Another Search](#)

# Tax Collection



# Texas Sales and Use Tax

- State sales and use tax rate is 6.25%.
- Local taxing jurisdictions (cities, counties, special purpose districts and transit authorities) may also impose sales and use tax up to 2% for a total maximum combined rate of 8.25%.
- You will be required to collect and remit both state and local sales and use tax when applicable.





# Collection of Tax

- The rate to be collected is determined by the place of business or event location.
- The tax is collected on all taxable items being sold that are not exempt.
- If you choose to include the tax in the sales price of the item, your customer must be told that the sales tax is included in the price.



# Backing Out Tax on Tax Included Sales

To back-out sales tax:

SALES PRICE DIVIDED BY 1.(TAX RATE) = TAX BASE

SALES PRICE - TAX BASE = SALES TAX

**Example:** Taxable item sells for \$11, including tax.

Tax rate is 8.25%.

$$\$11 / 1.0825 = \$10.16$$

$$\$11 - \$10.16 = \$0.84 \text{ (tax)}$$



# Filing Sales Tax Returns

Returns can be filed:

- in person,
- by mail, or
- via the internet.

“No tax due” returns can also be filed over the telephone.

Returns are due:

- Monthly,
- Quarterly, *or*
- Yearly (based on qualifications)
- on the 20th day of the month following the end of the reporting period.

Returns postmarked on the due date are considered timely.



# Filing Sales Tax Returns

- You *must* file a return even if you do not get one in the mail.
- You *must* file a return even if you had no taxable sales for the period and do not owe any tax.
- You will receive an estimated billing if you fail to file a return.
- Keep contact information current.

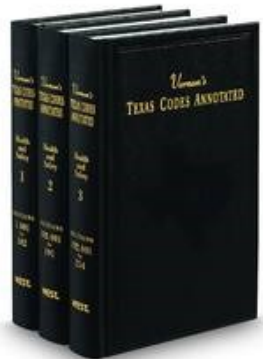
**\$50 penalty on late returns even if no tax is due!**



# Helpful Information

## Rules:

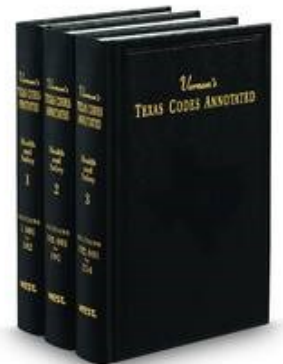
- Rule 3.285, Resale Certificate; Sales for Resale.
- Rule 3.286, Seller's and Purchaser's Responsibilities, including Nexus, Permits, Returns and Reporting Periods, Collection and Exemption Rules, and Criminal Penalties.
- Rule 3.287, Exemption Certificates.
- Rule 3.293, Food; Food Products; Meals; Food Service.



# Helpful Information

## Rules:

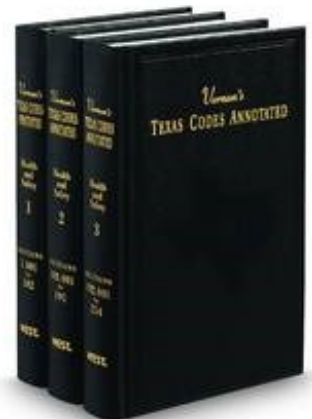
- Rule 3.298, Amusement Services.
- Rule 3.299, Newspapers, Magazines, Publishers, Exempt Writings.
- Rule 3.322, Exempt Organizations.
- Rule 3.365, Sales Tax Holiday—Clothing, Shoes and School Supplies.



# Helpful Information

## Publications:

- 94-115, *Ready-to-Eat Food.*
- 94-171, *Internet Orders – Buying and Selling.*
- 96-211, *Fairs, Festivals, Markets and Shows.*
- 96-122, *Exempt Organizations – Sales and Purchases.*
- 96-1045, *Guidelines to Texas Tax Exemptions.*
- 98-490, *Sales Tax Holiday.*







# Contact Us

## **General Tax Questions**

**Call:** (800) 252-5555

**Tax Help:** [comptroller.texas.gov/taxhelp](http://comptroller.texas.gov/taxhelp)

## **Exempt Organizations Section**

**Call:** (844) 519-5677

**Email:** [exempt.orgs@cpa.texas.gov](mailto:exempt.orgs@cpa.texas.gov)

**Website:** [Comptroller.Texas.Gov](http://Comptroller.Texas.Gov)

**Thank You!**