

## Section 06.05.07

# SALES TAX EXEMPTIONS

Some purchasers of taxable items qualify for a sales tax exemption because of the nature of their organization. Some are exempt because of their exemption status or because the item is being purchased for resale. See [Texas Administrative Code Title 34, Part1, Chapter 3, Subchapter O, Rule §3.322](#) for more information about Exempt Organizations.

University departments must obtain sales tax exemption or resale certificates from the purchaser at the time of the sale. This certificate should be kept on file by the selling department following the retention schedule.

There is no such thing as an exempt number. The purchaser must prove his/her exemption status to you. The certificate must have a signature on it to be valid. If you can identify the purchaser as a governmental entity or a non-profit organization, an official purchase order or letterhead from the purchaser can serve as a tax exempt certificate.

Organizations can be verified as exempt by using the State's online Exempt Organization Search. Items that are shipped to the purchaser outside of Texas are tax exempt, but documentation of the shipment should be retained with the deposit.