

Sam Houston State University
A Member of The Texas State University System

Finance & Operations Policy FO-51
Resale Items Purchased

The State of Texas requires a *Texas Sales and Use Tax Resale Certificate* on any items purchased for resale. Purchases made through the University utilizing a Purchase Order or P-Card may not be resold without charging taxes.

In general, all tangible personal property that would normally be taxable under this law are exempt when such goods are purchased by the university for its own use; therefore, when contacting sales people, please advise them that these purchases (when for the university's own use) are to be exempt from this sales tax. When such goods are purchased for resale, a certificate should be issued to exempt the purchase, and the tax must be collected on these items when the goods are resold.

The university has one single permit to collect this tax on behalf of its auxiliary enterprises. Any University group wishing to resale any items must contact the Controller's Office for review and approval. The Controller's Office is solely responsible for submitting Texas sales taxes for the University.

Student organizations, faculty, women's and men's clubs, or other related groups made up of university individuals who are not officially a subdivision of the university legally and financially, will not be covered under this permit. These organizations should obtain individual permits, when and if necessary under the terms of the law, using their own federal tax identification number in order to acquire a Texas Sales and Use Tax Resale Certificate.

Reviewed by: Tessy Rappé – Assistant Vice President Finance and Operations
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Next review: December 2019