



# INSTRUCTIONS FOR COMPLETING TEXAS SALES AND USE TAX PREPAYMENT REPORT

## GENERAL INSTRUCTIONS

**FOR ASSISTANCE** - If you have any questions regarding sales tax, you may contact the Texas State Comptroller's field office in your area or call (800) 252-5555, toll free, nationwide. The Austin number is (512) 463-4600.

**REQUIREMENTS FOR PREPAYMENT** - If you meet the following requirements, you will receive a prepayment discount of 1 1/4 percent (.0125) in addition to the timely filing discount of 1/2 percent (.005) for a total discount of 1 3/4 percent (.0175). Your estimated amount of prepayment (Item 6) must be at least 90% of the total tax that will be due for the reporting period.

OR

Your prepayment of tax must be equal to or greater than the total tax that was due and paid in the same reporting period of the preceding year, (*This amount does NOT include discounts on your previous year's payment.*)

AND

Your prepayment report and payment must be postmarked on or before the due date for the period.

In either instance, your regular sales and use tax return must be filed on time.

**DUE DATES OF PREPAYMENT REPORTS** - Monthly prepayment reports are due on the 15th of each month. Quarterly prepayment reports are due as follows:

- 1st quarter - February 15
- 2nd quarter - May 15
- 3rd quarter - August 15
- 4th quarter - November 15.

**NOTE:**

- *If the due date falls on a Saturday, Sunday or legal holiday, the next business day will be the due date.*
- *Payments postmarked or transmitted after the due date will not be eligible for the additional prepayment discount.*
- *If you prepaid on time but filed your return late, no discounts will be allowed. Penalty will be assessed only on the tax due that exceeds the amount you prepaid.*

## SPECIFIC INSTRUCTIONS

**Items b and f.** If the return is not preprinted and you are a sole owner, enter your Social Security number. For other types of organizations, enter the Federal Employer's Identification Number (FEIN) assigned to your organization.

*Disclosure of your social security number is required and authorized under law, for the purpose of tax administration and identification of any individual affected by applicable law. 42 U.S.C. sec. 405(c)(2)(C)(i); Tex. Govt. Code secs. 403.011 and 403.078. Release of information on this form in response to a public information request will be governed by the Public Information Act, Chapter 552, Government Code, and applicable federal law.*

**Item h.** If the return is not preprinted, enter the filing period of this report (month or quarter) and the last day of the period in the space provided. Examples: "Quarter Ending 09-30-96" "Month Ending 10-31-96."

**Item 2.** Estimated Amount Subject to Tax is the total amount that is taxed at the same tax rate or combined tax rate.

Local tax rate represents a local tax or any combination of local taxes. For example, a city tax of 1% and a transit tax of 1% will equal to a 2% local tax (2a).

Multiply Estimated Amount Subject to Tax by the Tax Rate and enter the result in the Estimated Tax Due column.

**Item 3.** State tax due is equal to Item 1a. Local tax due is the total of Items 2a through 2p.

**Item 5.** Multiply Item 3 by Item 4 (prepayment credit amount only) and enter the result.

**Item 6.** Subtract Item 5 from Item 3 and enter the result.

**Item 7.** Add Items 6a and 6b, and enter the result here and in Item 10.

**Item 8.** Enter your state prepayment amount (Item 6a).

**Item 9.** Enter your local prepayment amount (Item 6b).

**You have certain rights** under Chapters 552 and 559, Government Code, to review, request, and correct information we have on file about you. Contact us at the address or toll-free number listed on this form.