



Texas Application for Exemption – Homeowners' Associations

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TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

A nonprofit corporation that is a homeowners' association should use this application to request exemption from Texas franchise tax. The homeowners' association exemption extends only to franchise tax and is applicable to franchise tax reports due on or after May 1, 1982.

To receive a state franchise tax exemption as a homeowners' association, the association must be a nonprofit corporation organized and operated primarily to obtain, manage, construct and maintain the property in or of a residential condominium or residential real estate development that is legally restricted for use as residences. The property cannot be used for any commercial activity. Additionally, the individual resident owners of the lots, residences or residential units must have at least 51% voting control of the association.

The exemption for a homeowners' association is provided for in Section 171.082, Texas Tax Code, and more detailed information is available in Franchise Tax Rule 3.583.

Texas tax law provides an exemption from sales tax on goods and services purchased for use by organizations exempt under Section 501(c)(3), (4), (8), (10) or (19), Internal Revenue Code (IRC). However, exempt organizations are required to collect tax on most of their sales of taxable items. See *Exempt Organizations, Sales and Purchases*, Publication 96-122.

Texas law also provides an exemption from franchise taxes for corporations exempted from the federal income tax under IRC Section 501(c)(2), (3), (4), (5), (6), (7), (8), (10), (16), (19) or (25).

If your organization has been granted federal tax exemption under one of the qualifying sections listed above, your organization will be granted an exemption from Texas franchise tax, or sales and franchise tax, on the basis of the Internal Revenue Service (IRS) exemption, as required by state law. Organizations that qualify for state tax exemption based on the federal exemption are not exempt from hotel occupancy tax because the hotel occupancy tax law does not recognize any federal exemptions.

The laws, rules and other information about exemptions are online at www.Comptroller.Texas.Gov/taxes/exempt/.

You can submit your completed application along with required documentation by mail, fax, or email

Mail: Texas Comptroller of Public Accounts
Exempt Organizations Section
P.O. Box 13528
Austin, Texas 78711

FAX: (512) 475-5862
Email: exempt.orgs@cpa.texas.gov

We process applications in the order they are received. To establish claimed exemptions, we may require additional information. After review of the material, we will inform the organization in writing if it qualifies for exemption. The Comptroller, or an authorized representative of the Comptroller, may audit the records of an exempt organization at any time during regular business hours to verify the validity of the organization's exempt status.

If you have questions or need more information, contact us at 800-252-5555.

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 phone number listed on this form.

Texas Application for State Tax Exemption for Homeowners' Associations

• TYPE OR PRINT

• Do NOT write in shaded areas.

PLEASE COMPLETE THE FOLLOWING INFORMATION

1. Corporation name *(For Texas corporations, name must match the official corporate name as on file with the Texas Secretary of State. For out-of-state corporations, name must match the official corporate name as filed in the home state of charter.)*

Name, address and daytime phone number of person submitting this application

Name <input style="width: 95%; height: 15px;" type="text"/>	Title <input style="width: 95%; height: 15px;" type="text"/>
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Firm or company name <input style="width: 95%; height: 15px;" type="text"/>	Daytime phone (Area code and number) <input style="width: 15%; height: 15px;" type="text"/> - <input style="width: 15%; height: 15px;" type="text"/> - <input style="width: 15%; height: 15px;" type="text"/>	Extension <input style="width: 95%; height: 15px;" type="text"/>
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Address <input style="width: 95%; height: 15px;" type="text"/>	City <input style="width: 95%; height: 15px;" type="text"/>	State <input style="width: 95%; height: 15px;" type="text"/>	ZIP code <input style="width: 95%; height: 15px;" type="text"/>
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Email address

2. Texas taxpayer number

3. For **TEXAS** corporations, filing information issued by the Secretary of State:

Month Day Year

File number File date..... / /

4. Is the corporation's purpose to organize and operate primarily to obtain, manage, construct and maintain property in or of a residential condominium or residential real estate development? YES NO

4a. If yes, please provide a copy of the page found in the Articles of Incorporation, Declaration, or Bylaw, including any subsequent amendments, that cite the purpose stated above.

The corporation will maintain proof that the condominium project or real estate development is legally restricted for use as residences, with no commercial use allowed, and will maintain proof that the collective resident owners of individual lots, residence or units control at least 51 percent of the votes of the corporation.

5. Number of lots/units shown on the plat map for the real estate development.....

6. Number of lots/units owned by residential owners

7. Number of Lots owned by developers, builders, banks, investors, or other similar commercial parties

Items 6 and 7 must equal the total reported in Item 5.

7a. Provide the name of the declarant identified in the organization's Declaration...

8. Provide a list of the owners of each lot.

9. Does the real estate development engage in any commercial activity or have amenities for which non-residents can use for a fee? (examples: golf course, air strip, clubhouse, event venue) *(Check yes or no)*..... YES NO

10. Does the Declaration provide for different classes of votes? YES NO

If **YES**, identify the members of each class identified in the declaration.

CLASS A:

CLASS B:

(List additional classes if necessary)

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11. Provide the number or percentage of votes each member is entitled to and provide a copy of the voting rights from the organizations' declaration.

12. Based on the information provided above, the date the individual resident owners collectively gained voting control (at least 51 percent) of the association was

Month	Day	Year