



TEXAS SALES TAX HOLIDAY

Aug. 9 – 11, 2019

FAQS FOR SELLERS



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ARE YOU READY?

Before the crowds arrive, get up to date on what's included, how to handle special situations, and more to help your tax-free weekend go smoothly.

I know most school supplies are exempt from sales tax during the holiday. What else?

Hiking boots, bow ties, diapers and veils! These items and much more are included in the Texas Sales Tax Holiday. And yes, during this weekend, most clothing and school supplies priced less than \$100 are also exempt from state and local sales tax. Get a complete list of exempt items at TexasTaxHoliday.org – you might be surprised by what you find!

Are school kits taxable?

The taxability of a school supply kit depends on the cost of the exempt and taxable items in it. If the cost of the exempt items is more than the taxable ones, the kit is exempt. If the value of the taxable items is more than the exempt ones, then the kit is taxable.

Are all backpacks included?

Student backpacks (including those with wheels and messenger bags) priced less than \$100 are exempt from tax. However, all other types of bags, including but not limited to framed backpacks, gym bags and computer bags, don't qualify.

Do customers need to show an exemption certificate?

Customers don't need to provide an exemption certificate during the tax holiday, with two exceptions:

- When purchasing school supplies under a business account
- If a customer buys more than 10 backpacks

In these two instances a customer must provide a properly filled out exemption certificate.

What about purchases made on layaway or with a rain check?

During the tax holiday, customers don't have to pay tax when they put qualifying items on layaway or make the final payment on something already on layaway.

Qualifying items that customers buy with a rain check during the holiday weekend are also exempt regardless of when it was received. Items purchased with a rain check after the sales tax holiday don't qualify for exemption.

Do shipping charges affect eligibility?

Delivery, shipping, handling and transportation charges are part of the total sales price. To qualify for the tax exemption, eligible items must be less than \$100 after additional charges are added to the sales price.

What if I accidentally collected sales tax on exempt purchases?

If you sold qualifying exempt items and collected sales tax, then you must remit it to our office, unless you refunded the tax to the purchaser.

WE'RE HERE TO HELP! VISIT
TexasTaxHoliday.org

OR CALL
1-800-252-5555

This publication is intended as a general guide and not as a comprehensive resource on the subjects covered.
It is not a substitute for legal advice.