



# Instructions for Completing Texas Sales and Use Tax Permit Application

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You can also apply for a Texas Sales and Use Tax Permit online at [www.comptroller.texas.gov/taxes/permit/](http://www.comptroller.texas.gov/taxes/permit/).

## GENERAL INSTRUCTIONS Texas Sales and Use Tax Permit Application

**Applicants must be at least 18 years old. Parents or legal guardians can apply for a permit on behalf of a minor.**

### WHO MUST SUBMIT THIS APPLICATION?

You must obtain a sales and use tax permit if you are engaged in business in Texas and you:

- sell tangible personal property or provide taxable services in Texas; **and/or**
- acquire tangible personal property or taxable services from out-of-state suppliers that do not have a Texas tax permit; **or**
- are a business service user that provides local exchange access, equivalent local exchange access, wireless telecommunications connections or intrastate long-distance service and you must collect emergency communications charges and/or surcharges under Texas Health and Safety Code, Chapter 771; **or**
- sell prepaid wireless telecommunications services; **or**
- collect tax on the retail sale of fireworks; **or**
- collect tax on the sale of health spa memberships; **or**
- sell, lease or rent off-road, heavy-duty diesel-powered equipment (you must charge both the sales tax and the surcharge); **or**
- are an out-of-state winery that ships wine directly to customers in Texas (you must also obtain an Out-of-State Winery Direct Shipper's Permit from the Texas Alcoholic Beverage Commission); **or**
- sell cigarettes, cigars and/or tobacco products to customers in Texas (you must also obtain a Cigarette/Tobacco Retailer's Permit from the Comptroller's office); **or**
- are an individual, partnership, corporation or organization that sells, leases or rents taxable items in Texas, but you do not have a place of business in Texas; **or**
- are an out-of-state contractor improving real property in Texas using materials bought outside of Texas; **or**
- are a remote seller or marketplace provider.

Wholesalers and retailers must apply for a sales tax permit. Internet and catalog sellers engaged in business in Texas must be permitted and must collect and pay the applicable state and local taxes on sales delivered in Texas.

### ENGAGED IN BUSINESS

You are engaged in business in Texas if you or your agent are involved in any of the following activities in Texas: sell, lease, rent or take orders for tangible personal property; perform taxable services; use a warehouse or other location to store property or otherwise conduct business; benefit from an authorized installation, service or repair facility; or allow a franchisee or licensee to operate under your trade name, if they are required to collect Texas taxes; or sell and deliver tangible personal property in Texas.

You are also engaged in business in Texas if you have at least 50 percent ownership or interest in a business here with a distribution center, warehouse or similar location that delivers items sold by you to customers in Texas. See Publication 94-108, Engaged in Business.

### DIRECT SALES ORGANIZATIONS AND MULTI-LEVEL MARKETING COMPANIES

Direct sales organizations and multi-level marketing companies must collect and pay state and local sales and use taxes on distributors' sales in Texas. The direct sales organizations company is regarded as the seller so permits are not issued to distributors. Direct sales companies must collect sales taxes from the independent distributors and cannot accept resale certificates. For more information, see Rule 3.286 related to seller's and purchaser's responsibilities.

### TAXPAYER SEMINARS

The Comptroller's office conducts taxpayer seminars on the tax responsibilities of buyers, sellers and service providers. See [www.comptroller.texas.gov/taxes/resources/seminars.php/](http://www.comptroller.texas.gov/taxes/resources/seminars.php/) or call 800-252-5555.

### IMPORTANT SOURCES

- A list of all taxes and fees the Comptroller's office collects is online at [www.comptroller.texas.gov/taxes/](http://www.comptroller.texas.gov/taxes/).
- New businesses and Texas permits and licenses information - Secretary of State ([www.sos.texas.gov/](http://www.sos.texas.gov/)). You should also check with your city government, tax assessor-collector or chamber of commerce to find out if you are responsible for any local taxes, permits or fees.
- Employee information – Texas Workforce Commission ([www.twc.texas.gov/](http://www.twc.texas.gov/))
- Federal income tax information – Internal Revenue Service ([www.irs.gov/](http://www.irs.gov/))
- Social Security information – Social Security Administration ([www.ssa.gov/](http://www.ssa.gov/))

### FOR ASSISTANCE

Submit questions online at [www.comptroller.texas.gov/web-forms/tax-help/](http://www.comptroller.texas.gov/web-forms/tax-help/) or call 800-252-5555. Representatives are available Monday through Friday (except federal holidays), 8:00 a.m. – 5:00 p.m. You can also read frequently asked questions at [www.comptroller.texas.gov/taxes/tax-faq.php/](http://www.comptroller.texas.gov/taxes/tax-faq.php/).

**SALES TAX BOND** - You may be required to post a bond or other security for this permit. You will receive more instructions if we require a bond.

**AMERICANS WITH DISABILITIES ACT** - In compliance with the Americans with Disabilities Act, you can request this document in alternative formats by calling 800-252-5555.

*Under Government Code, Chapter 559, you are entitled to review, request and correct information we have on file about you, with limited exceptions, in accordance with Government Code, Chapter 552. To request information for review or to request error correction, contact us at the address or phone number listed on this form.*

**FEDERAL PRIVACY ACT** - Disclosure of all Social Security numbers requested on this form 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. Section 405(c)(2)(C)(i); Texas Government Code Sections 403.011 and 403.078. Release of information on this form, including names and telephone numbers, in response to a public information request will be governed by the Public Information Act, Chapter 552, Government Code, and applicable federal law.

## **SPECIFIC INSTRUCTIONS**

### **ENTITY INFORMATION**

- Item 2.** Enter the legal name of the entity applying for the Texas Sales and Use Tax Permit. Do not enter a "doing business as" (DBA) name.
- Item 3.** Federal Employer Identification Numbers (FEINs) are issued by the Internal Revenue Service (IRS) to report federal income taxes. If you need an FEIN, contact the IRS at 800-829-1040 or go to [www.irs.gov](http://www.irs.gov).
- Item 5.** If the applicant is already, or has previously been registered with the Comptroller's office for reporting any Texas state tax (franchise, fuels, hotel, etc.), enter the account's 11-digit taxpayer number. Leave blank if the applicant(s) has not previously registered with the Comptroller's office.
- Item 6.** If the applicant has registered for a Texas identification number (TIN) as a vendor to the state, enter the 11-digit taxpayer number assigned to the account. Leave blank if the applicant has not previously registered with the Comptroller's office.
- Item 7.** Non-Texas entities must enter their state or country, formation date and home state registration/file number. Non-Texas entities not registered with the Texas Secretary of State (SOS) should leave this field blank. The SOS issues file numbers when a legal entity in Texas files a certificate of formation to create a legal entity in Texas. Entities legally formed in other states or countries may need to obtain an application for registration from the SOS to legally conduct business in Texas. Limited partnerships and limited liability partnerships must provide a copy of their registration documents filed with the state where the entity was legally created. For more information, contact the SOS at 512-463-5555 or go to [www.sos.texas.gov](http://www.sos.texas.gov).
- Item 8.** If the applicant is an entity that was involved in a merger within the last seven years, you must submit documentation of the merger such as a copy of the merger documents filed with the state of incorporation and/or a copy of the merger agreement with this application.
- Item 9.** Enter the Social Security number (SSN) for all general partners, principal members/officers, managing directors, managers or trustees. If the general partner is a corporation, limited liability company or partnership, enter the FEIN assigned to the entity by the IRS, if applicable.

### **SOLE PROPRIETOR INFORMATION**

- Item 10.** Enter the legal name of the person applying for the permit. Do not enter a "doing business as" (DBA) name. Single-member limited liability companies and sole owner corporations should complete Items 1-9 and then skip to Item 15.
- Item 11.** Enter the Social Security number (SSN) of the person applying for the permit. The Comptroller's office does not make SSNs available to the general public. If the applicant does not have an SSN, DO NOT enter a temporary or other number assigned by the IRS used to file federal income taxes.
- Item 12.** If the applicant is already, or has previously been, registered with the Comptroller's office for the reporting of any Texas state tax (franchise, fuels, hotel, etc.), enter the account's 11-digit taxpayer number. Leave blank if the applicant has not previously registered with the Comptroller's office. This may result in a security bond request.
- Item 13.** If the applicant has registered for a Texas identification number (TIN) as a vendor to the state, enter the 11-digit taxpayer number assigned to the account. Leave blank if the applicant has not previously registered with the Comptroller's office.
- Item 14.** Federal Employer Identification Numbers (FEIN) are issued by the IRS to report federal income taxes. If you need an FEIN, contact the IRS at 800-829-1040 or go to [www.irs.gov](http://www.irs.gov).

## GENERAL BUSINESS INFORMATION

- Item 15.** Enter the complete address where we should mail your sales and use tax information, including building number, suite or apartment number, street, road, court or boulevard and directional indicator as applicable. Example: 123 N. Main St., Suite 345. Provide the vanity postal city name associated with the address if applicable. Example: Lakeway instead of Austin, Alamo Heights instead of San Antonio. See [www.usps.com](http://www.usps.com) for correct standardized address. If the mailing address is outside the United States, enter the mailing address for postal delivery in the country where we should send the information.
- Item 23.** Enter the name of the merchant credit card processor or online payment processor (such as PayPal) and the merchant identification number assigned by the processor.

## PLACE OF BUSINESS INFORMATION

A place of business or business location is any store, office or location that you operate for the purpose of receiving orders for tangible personal property or taxable services, including any warehouse or similar location where you sell three or more taxable items in a calendar year. If your home is a location where you receive orders, that location is considered a place of business. See Rule 3.286 about seller's and purchaser's responsibilities and Rule 3.334, local sales and use taxes.

- Item 24.** Enter the name you will use to conduct business if different from the applicant name. Example: a "doing business as" (DBA) name registered with a county or the SOS. Enter the physical address of your business location including, if applicable, the name of the shopping center or building where the business is located. Provide the actual location of your business, including building number and street address. Example: "323 Jones Road." Do not use a post office box number or rural route number. Enter any helpful directions, such as "two miles south of FM 1960 on Jones Rd."
- Item 25.** If the place of business is physically located within the boundaries of a city, enter the name of that city. It can be different from the postal city name provided in Item 26. Example: A business within the Houston city limits can be located in a ZIP code area that uses Friendswood as the postal city name. A virtual office address may not be used as the physical location address. Contact the city planning office or the tax appraisal district to determine the city where your business is actually located.
- Item 26.** Enter the name of the county where this business is physically located. Example: A business outside the Beaumont city limits can be located in Orange County or Jefferson County. A business that is located inside the city limits of San Marcos may be in either Hays County or Caldwell County.
- Item 28.** Check the YES box if you will ship or deliver items to cities or counties in Texas other than where you have your place of business. Example: A company that ships items from their store in Paige, Texas to Dallas, Texas should check "YES."
- Item 30.** Check the "Yes" box if you maintain, occupy, or use in this state, permanently or temporarily, directly or indirectly, or through an agent by whatever name called, a kiosk, office, distribution center, sales or sample room or place, warehouse or storage place, or any other physical location where business is conducted and property is sold by you to a purchaser and delivered in this state.
- Item 31.** Do not complete this section if you have a place of business in Texas. If you do not have a place of business in Texas, list the names and addresses of all representatives, agents, contractors or others representing your business in Texas.
- Item 33.** Check the "YES" box if you will travel to customers' locations to provide taxable services. Example: A company providing landscaping services should check "YES."
- Item 34.** List all locations or events in Texas where you will sell or solicit business on a temporary or recurring basis. Include the dates (if known) you will be at that location, even if you sell from a van or cargo truck in a parking lot. Example: "parking lot on the corner of Hollywood and Vine" or "first weekend of each month."
- Item 36.** Check the "Yes" box if you directly or indirectly own (50% or more interest) or you are directly or indirectly owned (50% or more interest) by a person or entity that maintains a business location in Texas and sells the same or similar line of products under a business name that is similar to your business name.
- Item 37.** Check the "Yes" box if you directly or indirectly own (50% or more interest) or you are directly or indirectly owned (50% or more interest) by a person or entity that maintains a location in Texas to advertise, promote, or facilitate sales, deliveries, or returns of your products.
- Item 39.** Marketplace provider is a person who owns or operates a marketplace (a physical or electronic medium through which persons other than the owner makes sales of taxable items) and directly or indirectly processes sales or payments for marketplace sellers.
- Item 41.** If you sell alcoholic beverages in Texas, you must have an alcoholic beverages permit from the Texas Alcoholic Beverage Commission. See [www.tabc.texas.gov](http://www.tabc.texas.gov).
- Item 42.** If you are a winery located outside Texas that ships wine directly to Texas customers, you must also have an Out-of-State Winery Direct Shipper's Permit from the Texas Alcoholic Beverage Commission (TABC). See [www.tabc.texas.gov](http://www.tabc.texas.gov).
- Item 43.** A health spa is defined as a business that sells memberships to provide its members instruction in physical exercise or the use of facilities for a physical exercise program. Health spa operators must register with the Secretary of State and include a copy of their certificate of registration when applying for a sales tax permit. Examples include a gym, circuit training and any other fitness facility that sells memberships. See Occupations Code, Sections 702.003, 702.101 and 702.107.

- Item 44.** If you sell electronic cigarettes, e-cigars, e-pipes, accessories or component parts, you must comply with the Texas Health and Safety Code, Chapter 161, relating to the sale, distribution, possession and use of e-cigarettes. Items 44a and 44b. For all internet, mail order or telephone order delivery sales in a month, the seller must file Form 69-140, Texas Cigarette and E-Cigarette Delivery Sales Report, with the Comptroller's office.
- Item 45.** If you sell fireworks in Texas, you must have a permit from the Texas Department of Insurance. Fireworks sellers must collect sales and use tax. Contact the Texas Department of Insurance ([www.tdi.texas.gov](http://www.tdi.texas.gov)) for permit information.
- Item 46.** SLT - As an alternative to collecting each of the local tax jurisdictions, remote sellers have the option to use the Single Local Tax (SLT) rate that computes the amount of the local tax that remote sellers are required to collect and remit. Marketplace providers are not eligible for the Single Local Tax (SLT).
- Item 49.** The Comptroller's office uses the North American Industry Classification System (NAICS), a product of the U.S. Census Bureau, to assign a code that indicates the general type of business operated in Texas. To find your NAICS code, go to [www.census.gov/eos/www/naics/](http://www.census.gov/eos/www/naics/). Enter one word in the keyword search field that generally describes your business. For example, if your business is a restaurant, enter "restaurant." The search will return several options. To the left of each option is its six-digit NAICS code. Select the code that best fits your business.
- Enter the NAICS code for your business, or check the box for your general type of business.
- Explain the type of business operated and/or primary type of products you sell. Example: "bookkeeping for small businesses" or "interior decorator for homes."
- Item 50.** You will be required to report interest earned on sales tax if you:
- make sales using installment or deferred payment plans using your own financing on which interest is charged; **AND**
  - keep your records on a cash basis of accounting; **AND**
  - charge interest on the entire balance, including sales tax, on the sale of taxable items made on installment purchases or deferred payment plans.
- Item 51.** The sale, lease or rental of off-road, heavy-duty (50 horsepower or greater) diesel equipment is subject to sales and use tax, plus an additional 1.5 percent surcharge. See [www.comptroller.texas.gov/taxes/motor-vehicle/terp-offroad.php](http://www.comptroller.texas.gov/taxes/motor-vehicle/terp-offroad.php).
- Item 52.** If you are a telecommunications utility, a mobile service provider or a business service user that provides local exchange access, equivalent local exchange access, wireless telecommunications connections or intrastate long-distance service, you must collect emergency communications charges and/or surcharges.
- Item 53.** A 2 percent prepaid wireless 9-1-1 emergency service fee is due on the purchase price of each prepaid wireless telecommunications service that allows a caller to access 9-1-1 emergency communications service. The seller collects the fee from the customer at the time of sale.

**Mail the application to:**

Comptroller of Public Accounts  
111 E. 17th St.  
Austin, TX 78774-0100

**or Email to:  
or Fax to:**

[sales.applications@cpa.texas.gov](mailto:sales.applications@cpa.texas.gov)  
512-936-0100

You will receive your permit approximately four weeks after we receive your completed and signed application. Incomplete applications will delay the process.