

210.1 Texas Sales Tax Exemption

Any authorized agent or employee of Baylor University who is purchasing an item necessary to Baylor's exempt functions should complete all blank sections of the Exemption Certificate, sign it, and provide it to the Texas vendor to ensure the purchase is tax free. Please be specific as possible when completing the "Description" area of the certificate. A copy of the completed Exemption Certificate should be maintained in your records. If a purchase is questioned during a State audit, responsibility for explaining the purchase will fall upon the individual whose signature is presented at the bottom of the certificate.

In addition, please note the following:

- The Exemption Certificate can only be used for those purchases that further the mission of the University. It cannot be used for those purchases that will be used for the personal benefit of a private party or individual. For example, the Exemption Certificate may be completed and provided to the vendor for books purchased for addition to the Baylor Library. However, if an employee is purchasing a book for his/her personal collection, the Exemption Certificate must not be used. If you are unsure whether the purchase is necessary to the University's exempt functions, you should not request an exemption.
- The Exemption Certificate is only applicable to the exemption of Texas sales tax. If a purchase is made from an out-of-state vendor collecting that state's sales tax, a determination as to whether the purchase will be exempt from sales tax must be made. States have differing requirements and statuses available, and a Texas Exemption Certificate should not be used without further clarification of Baylor's status in a particular state.
- Use of the Exemption Certificate for meals is restricted. The Exemption Certificate may be used for group working meals, University events, team meals, etc., but is not to be used for purchasing individual meals, even if the meal is purchased while on business travel.
- The Exemption Certificate cannot be used for the purchase, rental, or use of motor vehicles.
- Any authorized agent or University employee who is purchasing items for resale at a Baylor University event (such as food) should not use the Exemption Certificate for such purchases. A resale certificate must be obtained instead (see section 210.3).

See also section 130.1 regarding income tax implications for awards to individuals.