

310. Sales of Goods and Services

Tax must be collected on all cash sales involving tangible, personal property, unless an exception applies. The State Comptroller defines this as personal property that can be seen, weighed, measured, felt or touched, or that is perceptible to the senses. (Texas Tax Code Section 151.009)

Goods

- Clothing – Sales of clothing sold in the bookstore or by campus departments are taxable.
- Computer programs – Sales of various computer programs in the bookstore or by campus departments are taxable.
- Food Items - All prepared food and packaged, ready-to-eat food is taxable. Food products that require additional preparation by the purchaser, such as cooking or thawing, are not taxed (e.g., a ready-to-eat bag of popcorn is taxable; packaged popcorn to prepare at home is not taxed).
- Books – Sales of books, pamphlets or other educational materials sold in the bookstore or by campus departments are taxable.
- Rentals - Rentals of tangible personal property are taxable. For example, rentals of canoes, tubes, tents, towels and other sports equipment to students, staff, or faculty are taxable. However, if the rental item is required for class use, it is exempt from sales tax. Rental of lockers are not taxable.

Services – Sales of the following services are taxable.

- Parking - Sales tax is generally due on charges for parking and storage of a motor vehicle. Colleges, universities, and public schools are *not required* to collect sales tax on parking permits and fees charged to their students, faculty, or staff for parking. However, charges to the public for parking are taxable.
- Laundry Services
- Internet Access
- Telecommunication Services
- Utility Service
- Postage and Handling (Shipping Charges) - Postage and handling also called transportation charges, freight, shipping, delivery, or convenience fees are taxable to a customer when a taxable item is sold.

Non-Taxable – Sales of the following items are not taxable.

- Room rental
- Conferences - Conferences for educational purposes are sales tax exempt. Tax is not collected on books, pamphlets, clothing, meals, etc. if these items are included in the cost of the registration. The items included in the conference registration fee should be an insubstantial part of the fee.
- Booth rental
- Dues
- Fines & Penalties
- Magazine subscriptions of six months or longer which are mailed as periodicals class
- Advertising