

Exempt Purchases

The purchase, lease, or rental of a taxable item is exempt from sales tax when:

1. The item is directly related to the educational purpose of the district;
2. The item remains school property and ownership does not pass to an employee, student, or other individual * ;
3. The district or employee pays for the item; and
4. The vendor is provided with an [exemption certificate](#) or purchase order issued by the district.

Purchases made by **individual** members or teachers/coaches of classes or teams have no exemptions even though they are connected with a school or a school organization. Examples are: cheerleaders purchasing their own uniforms, band members purchasing their own shirts, or camps providing shirts to participants. Sales tax for such purchases of items for which ownership passes to a student or other individual, such as cheerleader uniforms, band shirts, or camp shirts should be paid to the vendor when the costs are passed along to the student/participant in the participation fees for these activities, as long as the costs included in the fee does not differ from the amount paid to the vendor. In addition, ownership of staff apparel provided to employees in excess of the athletics and school approved amounts must remain with the school.

Employees will NOT be reimbursed for sales taxes paid on individual purchases – even when purchased for educational purposes for use by the district.

In order to be afforded the sales tax exemptions, one of the following exemption certificates should be presented:

- **Texas Sales and Use Tax Exemption Certificate** should be presented each time a purchase is made. It must state that the merchandise being purchased is for the organization's own use in providing education, is being made in the name of the organization, and that payment will be made from the organization's own funds.
- **Texas Sales and Use Resale Certificate** is given to the vendor when merchandise is purchased by the school for resale (such as fund-raisers).

[Texas Sales and Use Exemption Certificates](#)