

# TEXAS APPLICATION FOR EXEMPTION—EDUCATIONAL ORGANIZATIONS



## SUSAN COMBS • TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

Nonprofit educational organizations should use this application to request exemption from Texas sales tax, hotel occupancy tax and franchise tax, if applicable.

To receive a state tax exemption as an educational organization, a nonprofit educational organization must be devoted solely to systematic instruction (particularly in the commonly accepted arts, sciences and vocations) with a regularly scheduled curriculum, faculty and an enrolled student body or students in attendance at a place where the educational activities are regularly conducted. An educational organization can also qualify if its activities consist solely of public groups, forums, panels, lectures or other similar programs, and the presentations provide instruction in the commonly accepted arts, sciences and vocations. Exemption from federal tax as a 501(c) organization is not required to qualify for exemption from state tax as an educational organization.

Public and private colleges, universities, junior colleges and community colleges from other states and nations do not qualify as educational organizations exempt from Texas hotel occupancy tax.

The exemption for educational organizations is provided for in Sections 151.310, 156.102 and 171.061 of the Texas Tax Code; more detailed information can be found in Comptroller Rules 3.322, 3.161, 3.541 and 3.583.

Some organizations will not qualify for an exemption as an educational organization as that term is defined in Texas' law and rules, even through their activities may be educational in nature. Such an organization might still qualify for exemption from Texas sales tax and franchise tax, if applicable, under certain sections of the Internal Revenue Code (IRC).

Texas tax law provides an exemption from sales tax on goods and services purchased for use by organizations exempt under IRC Section 501(c)(3), (4), (8), (10) or (19). However, exempt organizations are required to collect tax on most of their sales of taxable items. See *Exempt Organizations - Sales and Purchases*, Publication 96-122.

Texas law also provides an exemption from franchise taxes for corporations exempted from the federal income tax under IRC Section 501(c)(2), (3), (4), (5), (6), (7), (8), (10), (16), (19) or (25).

If your organization has been granted federal tax exemption under one of the qualifying sections listed above, your organization will be granted an exemption from Texas sales tax, or sales and franchise tax, on the basis of the Internal Revenue Service (IRS) exemption, as required by state law.

Organizations that qualify for exemption based on the federal tax exemption are not exempt from hotel occupancy tax because the hotel occupancy tax law does not recognize any federal exemptions.

The laws, rules and other information about exemptions are online at:

**[www.window.state.tx.us/taxinfo/exempt](http://www.window.state.tx.us/taxinfo/exempt)**

Send the completed application along with all required documentation to:

Comptroller of Public Accounts  
Exempt Organizations Section  
P.O. Box 13528  
Austin, TX 78711-3528

We will contact you within 10 working days after receipt of your application to let you know the status of your application. We may require an organization to furnish additional information to establish the claimed exemption. After a review of the material, we will inform the organization in writing if it qualifies for exemption. The Comptroller, or an authorized representative of the Comptroller, may audit the records of an organization at any time during regular business hours to verify the validity of the organization's exempt status.

If you have questions or need more information, contact our Tax Assistance staff at (800) 252-5555 or in Austin at (512) 463-4600.

**You have certain rights** under Chapters 552 and 559, Government Code, to review, request and correct information we have on file about you. Contact us at the address or toll-free number listed on this form.

**TEXAS APPLICATION FOR EXEMPTION – EDUCATIONAL ORGANIZATIONS**

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**SECTION A**

**1. ORGANIZATION NAME**

(Legal name as provided in the formation document, or if unincorporated, the governing document.)

**2. ORGANIZATION MAILING ADDRESS**

Street number, P.O. Box or rural route and box number

City	State/Province	ZIP Code	County (or country, if outside the U.S.)
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

**3. Earliest date organization conducted classes.....**

Month	Day	Year
<input type="text"/>	<input type="text"/>	<input type="text"/>

Number of Students

Age of Students

**4. Number and age of students .....**



**5. Number of instructors .....**

**6. Texas taxpayer number (if applicable).....**

**7. Federal Employer Identification Number (EIN)**

(Required if applying for exemption on the basis of a federal exemption).....

Month Day Year

**8. a) Enter filing information issued by the Texas Secretary of State**

File Number

File Date

**OR**

b)  Check this box if this organization is not registered with the Texas Secretary of State.

**9. Contact information of the person submitting this application**

Name	E-mail Address
<input type="text"/>	<input type="text"/>

Firm or Company Name	Daytime Phone (Area code and number)	Extension
<input type="text"/>	( <input type="text"/> ) <input type="text"/> - <input type="text"/>	<input type="text"/>

Address	City	State	ZIP Code
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

We will notify you by e-mail when the exemption has been added to let you know where the exemption can be verified online. If an e-mail address is not provided, indicate where our response should be mailed:  organization's mailing address or  mailing address of the submitter.

**SECTION B**

**Please review the information below. If your organization is applying for exemption on the basis of an IRS exemption, complete Item 10. If your organization is applying for exemption as an educational organization under Texas law and rules, complete Item 11.**

**Item 10.** Check here to apply for an exemption on the basis of a federal exemption.

Return the completed application with a copy of the entire IRS determination letter and any addenda. The organization's name on the IRS determination letter must match the organization's legal name as listed in the Articles of Incorporation or governing document. If the IRS determination letter was issued more than four years prior to the current date, include a copy of a current IRS verification letter. To obtain a current letter, contact the IRS at (877) 829-5500.

**Item 11.** Check here to apply for exemption as an educational organization.

The following documents must be included with your application. Information may be in the form of a bulletin, brochure, written statement or Web site:

- A copy of the curriculum and a written statement or any brochures, pamphlets or Web site addresses that describe all of the activities of the organization.
- A statement including the physical address (street number and name, or rural route and box number, not a P.O. Box), and indicating the type of facility (office building, school, private home, etc.) where classes are held.
- A copy of the IRS determination letter, if your organization is exempt under a qualifying section of the IRC, or, if the organization is affiliated with a parent entity that has a federal group exemption under one of the qualifying IRC sections, attach a letter of verification from the parent entity that confirms the organization is a recognized subordinate under its federal group exemption. If the parent organization has not yet obtained exemption from Texas franchise tax and/or sales tax, provide a copy of the parent organization's entire IRS group exemption ruling letter along with the letter of affiliation.
  - **Special note to unincorporated entities:** Include your organization's governing documents, such as bylaws or constitution.
  - **Special note to non-Texas corporations:** Include a file-stamped copy of your organization's formation documents AND a current Certificate of Existence from the Secretary of State or equivalent officer in your home state.