

Flea Markets - Sales and Use Tax Responsibilities and Requirements

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Collecting and Reporting Tax

If the flea market has a centralized cash register or checkout, the market itself is responsible for collecting and remitting the sales tax and must have a current sales tax permit.

"Flea markets" are markets and malls where vendors rent space to sell, buy or trade new or used items such as furniture, clothing, crafts, antiques, collectibles, tools, toys, appliances, and automotive parts and accessories. Spaces can be rented for as short a period as a single day or for as long as a year or more.

State sales tax is due on all retail sales of new and used items at flea markets.

If the flea market has a centralized cash register or checkout, the market itself is responsible for collecting and remitting the sales tax and must have a current sales tax permit. Individual vendors who buy items for resale also must have a current sales tax permit. Both the market and vendors must file sales and use tax returns. The market reports total sales, taxable sales and total tax collected for all vendors, while vendors only report the amount the market sells on their behalf as total sales. Each vendor should report zero taxable sales because the market is reporting taxable sales for all vendors.

If the flea market does not have a centralized cash register or checkout, vendors are responsible for reporting their own total sales and tax-

able sales. The market's promoter must make certain that each vendor has an active sales tax permit, since the promoter may be held liable for taxes on sales made by vendors without a valid sales tax permit.

Vendors who sell at several different markets in different cities or counties must collect tax based on each market's location. Vendors must collect local sales tax if the market is in a city,

county, special purpose district or transit authority that imposes such a tax. For a list of local taxing jurisdictions, see our Texas sales and use tax rates brochure (publication 96-132), available online at www.window.state.tx.us or by calling our toll-free number at (800) 252-5555. The Comptroller's Web site also includes an

online search function by city available at www.window.state.tx.us/taxinfo/local/index.html.

Tax Permits

All flea market promoters and vendors must have sales tax permits. Applications are available online at window.state.tx.us/taxinfo/taxforms/01-forms.html, or at any Texas Comptroller field office. You also can call us toll-free at (800) 252-5555 to get a permit application.



For more information, visit our Web site www.window.state.tx.us. Receive tax help via e-mail at tax.help@cpa.state.tx.us.

Sales Tax for Flea Markets

A taxpayer who files the report and pays the tax on time is allowed a timely filing discount of one half of one percent of the tax due.

Parking

Sales tax is due on a charge to park a motor vehicle. For example, a charge to enter a parking lot at a flea market is subject to tax. The amount of the sales tax must be separately stated on the customer's bill or invoice OR there must be a written statement to the customer that the stated price includes sales tax.

Sales Tax Bond

To ensure payment of tax, the law requires some new permit holders to provide a bond, which can be satisfied in a variety of ways, such as a letter of assignment or credit from a bank or credit union. The bond is returned to the taxpayer after two years if all taxes have been paid on time. A taxpayer who maintains a good payment record will be exempt from the bond requirement. Contact your local Comptroller field office for details on who must post a bond.

Tax Returns

Tax returns are filed monthly, quarterly or yearly depending on the amount of state sales tax collected. (Please refer to Rule 3.286, Seller's and Purchaser's Responsibilities, for more information on filing responsibilities. Our tax rules are available online at www.window.state.tx.us.) Returns are due by the 20th day of the month immediately following the end of the reporting period.

If a taxpayer files three or more returns after the due date, there will be a \$50 late filing fee beginning with the third late return. The late fee is in addition to penalty and interest on any tax due.

A taxpayer who files the report and pays the tax on time is allowed a timely filing discount of one half of one percent of the tax due.

Operating Without a Sales Tax Permit

Operating without a sales tax permit is a crime punishable by a fine of up to \$500 a day.

We're Here To Help! *Call Toll-Free!*

If you have questions or need information on a specific tax, please call our toll-free numbers:

(800) 252-5555

911 Emergency Service/Equalization Surcharge
Automotive Oil Fee
Battery Fee
Boat and Boat Motor Sales Tax
Customs Broker
Fireworks Tax
Mixed Beverage Tax
Off-Road, Heavy-Duty Diesel Equipment Surcharge
Oyster Fee
Sales and Use Taxes
Telecommunications Infrastructure Fund

(800) 531-5441

Cement Tax
Inheritance Tax
Local Revenue
Miscellaneous Gross Receipts Taxes
Oil Well Servicing Tax
Sulphur Tax

(800) 531-5441, ext. 3-3630

WebFile Help

(800) 252-1381

Bank Franchise
Franchise Tax

(800) 252-7875

Spanish

(800) 531-1441

Fax on Demand (Most frequently requested Sales and Franchise tax forms)

(800) 252-1382

Clean Vehicle Incentive Program
Manufactured Housing Tax
Motor Vehicle Sales Surcharge,
Rental and Seller Financed Sales Tax
Motor Vehicle Registration Surcharge

(800) 252-1383

Fuels Tax
IFTA
LG Decals
Petroleum Products Delivery Fee
School Fund Benefit Fee

(800) 252-1384

Coastal Protection
Crude Oil Production Tax
Natural Gas Production Tax

(800) 252-1387

Insurance Tax

(800) 252-1385

Coin Operated Machine Tax
Hotel Occupancy Tax

(800) 252-1386

Certificates of Account Status/Good Standing
Officer and Director Information

(800) 862-2260

Cigarette and Tobacco

(888) 4-FILING (888-434-5464)

TELEFILE: To File by Phone

(800) 252-1389

GETPUB: To Order Forms and Publications

(800) 654-FIND (800-654-3463)

Treasury Find

(800) 321-2274

Unclaimed Property Claimants
Unclaimed Property Holders
Unclaimed Property Name Searches
(512) 463-3120 in Austin

(877) 44RATE4 (877-447-2834)

Interest Rate

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