



**AGENDA ITEM REQUEST FORM  
CITY OF JOHNSON CITY, TEXAS  
CITY COUNCIL**

**ITEM NO. 16**

**MEETING DATE:** September 7, 2021

**AGENDA PLACEMENT:**

- Ceremonial
- Consent
- Individual
- Closed Session

**CAPTION:**

Discussion of and action on the following Ordinances related to the collection of sales and use tax within the City of Johnson City:

- a) An Ordinance of the City Council of the City of Johnson City, Texas amending Municipal Code of Ordinances Chapter 11 *Taxation*, Article 11.03 *Sales and Use Tax* by reimposing the local sales and use tax on the residential use of gas and electricity; making other provisions related thereto, and providing for the effective date thereof; and
- b) An Ordinance of the City Council of the City of Johnson City, Texas amending Municipal Code of Ordinances Chapter 11 *Taxation*, Article 11.03 *Sales and Use Tax* by imposing the local sales and use tax on telecommunications services; making other provisions related thereto, and providing for the effective date thereof.

**STRATEGIC WORK PLAN:**

- |  |  |
|--|--|
| <input type="checkbox"/> Not Applicable                          | <input type="checkbox"/> Goal 5: Improve Fire Safety                             |
| <input type="checkbox"/> Goal 1: Increase Housing Diversity      | <input checked="" type="checkbox"/> Goal 6: Improve Streets                      |
| <input type="checkbox"/> Goal 2: Expand Quality Lodging          | <input type="checkbox"/> Goal 7: Increase Publicity & Promotion of the Community |
| <input type="checkbox"/> Goal 3: Improve Code Enforcement        | <input type="checkbox"/> Goal 8: Increase Economic Development Activities        |
| <input type="checkbox"/> Goal 4: Improve Streetscaping & Signage |  |

## **EXECUTIVE SUMMARY:**

From the Texas Municipal League:

### ***Sales Tax on Residential Gas and Electricity***

The sales tax on residential gas and electricity is not really a separate city sales tax. Rather, it represents the optional repeal of an exemption to the city's other sales taxes.

Residential gas and electricity service is usually exempt from state sales taxes. Residential gas and electricity are also exempt from city sales taxes, unless the city adopted a sales tax prior to October 1, 1979, and has acted by ordinance, recorded in the minutes, to tax gas and electricity.

Repealing the city exemption on residential gas and electricity can be a significant source of new city revenue.

Which cities can repeal the exemption on residential gas and electricity? As stated above, only cities that had a sales tax in place prior to October 1, 1979, are eligible to repeal the exemption. Any city that was created since October 1, 1979, or was in existence on that date but had no sales tax, cannot repeal the exemption.

What steps must a city take to tax residential gas and electricity? Following are the steps necessary to tax residential gas and electricity:

- (1) Adopt an ordinance by majority vote of the membership of the city council. By using the phrase "of the membership," it is clear that the vote needed is a majority of the entire council, not just a majority of those present and voting, as is usually required to pass an agenda action item.
- (2) Record the vote in the minutes of the city.
- (3) The city secretary must send a copy of the ordinance to the comptroller by registered or certified mail.

How many Texas cities have repealed the tax exemption on residential gas and electricity? According to 2019 comptroller data, 783 cities have repealed the exemption on residential gas and electricity. That leaves 135 cities that are eligible to repeal the exemption but have not done so.

The Cities of Blanco, Fredericksburg and Marble Falls collect local sales and use tax on residential gas and electricity.

### ***Sales Tax on Telecommunications Services***

The sales tax on telecommunications services is not really a separate city sales tax. Rather, it represents the optional repeal of an exemption to the city's other sales taxes.

Telecommunications services are generally subject to state sales taxes. Specifically exempt from sales taxes, however, are certain long-distance telephone services, commercial radio and television (other than cable), and a portion of monthly Internet access service charges. Telecommunications services are exempt from city sales taxes unless the city council repeals the exemption by an ordinance recorded in the minutes and filed with the comptroller.

A city that repeals the exemption may tax only those telecommunications services taxable by the state, with the exception of otherwise taxable interstate long-distance services. Repeal of the city telecommunications exemption could be a significant source of new revenue for cities, but many cities do not take advantage of it.

What are telecommunications services? According to the Texas Tax Code, telecommunications services are: ...the electronic or electrical transmission, conveyance, routing, or reception of sounds, signals, data, or information utilizing wires, cable, radio waves, microwaves, satellites, fiber optics, or any other method not in existence or that may be devised, including but not limited to long-distance telephone service. The term does not include:

- (1) the storage of data or information for subsequent retrieval or the processing, or reception and processing, of data or information intended to change its form or content;
- (2) the sale or use of a telephone prepaid calling card;
- (3) Internet access service; or
- (4) a pay telephone coin sent-paid telephone call.

Which cities can repeal the exemption on telecommunications services? All cities that have adopted sales taxes are eligible to repeal the exemption on telecommunications services.

What steps must a city take to repeal the exemption on telecommunications services?

- (1) Adopt an ordinance by majority vote of the city council that repeals the exemption. This is contrasted with repeal of the exemption for residential gas and electricity, which can only be accomplished by cities that had a sales tax prior to October 1, 1979.
- (2) Record the votes in the minutes of the city council.
- (3) The city secretary must send a copy of the ordinance to the comptroller by certified or registered mail.

How many Texas cities impose sales taxes on telecommunication services? According to 2019 comptroller data, 531 cities have repealed the tax exemption and impose sales taxes on telecommunication services.

The Cities of Fredericksburg and Marble Falls and Blanco County collect local sales and use tax on telecommunications services.

## **FINANCIAL:**

From the State Comptroller:

1. Unfortunately, we cannot provide an estimation for the residential use of natural gas and electricity. The companies reporting natural gas and electricity report their sales based on where their customer lives/works, not based on where the company is located. If Pedernales Electric Cooperative does not have customers within your city limits, you won't receive any tax from them. It all depends on where their customers are based and how many customers they have.

2. The same applies for Telecommunication companies as it does for the residential use of natural gas and electricity. These companies report their tax based on their customer's location. It is near impossible to tell how many people within your city limits use Telecommunication services and from which companies they purchase those services.

**ATTACHMENTS:**

- Proposed Ordinances
- *Texas Tax Information for Retail Sellers of Electricity*
- *Local Sales and Use Tax Collection – A Guide for Sellers*

**SUGGESTED ACTION:**

Motion to approve:

- a) An Ordinance of the City Council of the City of Johnson City, Texas amending Municipal Code of Ordinances Chapter 11 Taxation, Article 11.03 Sales and Use Tax by reimposing the local sales and use tax on the residential use of gas and electricity; making other provisions related thereto, and providing for the effective date thereof; and
- b) An Ordinance of the City Council of the City of Johnson City, Texas amending Municipal Code of Ordinances Chapter 11 Taxation, Article 11.03 Sales and Use Tax by imposing the local sales and use tax on telecommunications services; making other provisions related thereto, and providing for the effective date thereof.

**PREPARED BY:** City Staff

**DATE SUBMITTED:** 9/1/21

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF JOHNSON CITY, TEXAS AMENDING MUNICIPAL CODE OF ORDINANCES CHAPTER 11 *TAXATION*, ARTICLE 11.03 *SALES AND USE TAX BY REIMPOSING THE LOCAL SALES AND USE TAX ON THE RESIDENTIAL USE OF GAS AND ELECTRICITY*; MAKING OTHER PROVISIONS RELATED THERETO, AND PROVIDING FOR THE EFFECTIVE DATE THEREOF.

WHEREAS, the City Council of the City of Johnson City adopted a sales and use tax authorized by the Municipal Sales and Use Tax Act (the "Act") before October 1, 1979; and

WHEREAS, Section 321.105 of the Act authorizes the City of Johnson City to re-impose taxes on gas and electricity for residential use by ordinance adopted by a vote of the majority of the membership of the City Council and entered in its minutes.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF JOHNSON CITY, TEXAS THAT:

Part 1. That Chapter 11, Article 11.03 of the Municipal Code of Ordinances is amended as follows:

“Article 11.03. Sales and Use Tax.

Sec. 11.03.001 Sales and use tax elections

Ordinances calling elections as well as those certifying election results for the imposition of sales and use taxes are on file in the office of the city secretary. (Ordinance adopting Code)

Sec. 11.03.002 ~~Exemption for r~~Residential use of gas and electricity

~~The city council hereby exempts residential use of gas and electricity from the 1% city sales tax effective October 1, 1978. (Ordinance 96 adopted 10/1/78)~~

(a) The expression "residential use" means the use of gas and electricity in a family dwelling, a multifamily apartment, a housing complex, or a building or portion of a building occupied as a home or residence.

(b) A tax is hereby authorized on all residential gas and electric services sold within the City. For the purposes of this Section, the sale of residential gas and electric services is consummated at the address to which the service is billed.

(c) The taxes on gas and electricity for residential use are reimposed, pursuant to Section 321.105 of the Municipal Sales and Use Tax Act.

(d) The rate of the tax imposed by this Section shall be the same as the rate imposed by the City for all other local sales and use taxes, as authorized by the legislature of the State of Texas, that being one and one-half cent for local tax.

(e) The tax provided for hereunder shall not serve as an offset to, be in lieu of, or in any way reduce any amount payable to the City pursuant to any franchise, street use

ordinance, charter provision, statute, or, without limitation by the foregoing enumeration, otherwise payable by any provider of residential gas or electric service; it being the express intent hereof that all such obligations, impositions, and agreements of every kind and nature shall remain in full force and effect without reduction or limitation hereby.”

Part 2. That the City Secretary is hereby directed to send to the Texas Comptroller of Public Accounts by United States certified or registered mail a copy of this Ordinance imposing the taxes on residential use of gas and electricity and directed to enter this Ordinance and the vote hereon in the minutes of the City Council meeting.

Part 3. This Ordinance shall take effect immediately from and after its passage by the City Council of the City of Johnson City, Texas.

**PASSED AND APPROVED on this the 7<sup>th</sup> day of September, 2021.**

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Mayor

ATTEST:

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City Secretary



**Texas Comptroller of  
Public Accounts**

# TEXAS TAX INFORMATION FOR RETAIL SELLERS OF ELECTRICITY

This publication is intended to assist electric companies with meeting their state and local tax obligations, in addition to providing their customers with specific information regarding the tax-related charges listed on their electric bills.

In Texas, companies that sell electricity in the retail market are subject to the Public Utility Gross Receipts Assessment (PUCA), and possibly the Miscellaneous Gross Receipts Tax (MGRT), on their gross receipts from the sale of electricity. These companies must collect from their customers, and remit to the Texas Comptroller of Public Accounts, any applicable state or local sales tax that is due on their retail transactions. To ensure compliance with the various tax laws, electric companies should be aware of certain billing issues relating to their payment and collection of taxes in this state.



Gross receipts taxes  
are paid by the electric  
retailer; sales taxes  
are paid by the  
electric consumer.

## MISCELLANEOUS GROSS RECEIPTS TAX ON ELECTRICITY (TEXAS TAX CODE, CHAPTER 182)

An MGRT is imposed on each utility company in Texas that makes local sales of electricity within an incorporated city or town having a population of more than 1,000, according to the last federal census. The rate at which the tax is imposed depends on the population of the city within which the electricity is delivered. The tax rates are:

- 0.581 percent (0.00581) of gross receipts from business done in an incorporated city or town with a population of more than 1,000 but less than 2,500;
- 1.07 percent (0.0107) of gross receipts from business done in an incorporated city or town

with a population of 2,500 or more but less than 10,000; and

- 1.997 percent (0.01997) of gross receipts from business done in an incorporated city or town with a population of 10,000 or more.

With regard to electricity, Tax Code Section 182.021 defines a “utility company” as a person that owns or operates an electric light or electric power works, or a light plant used for local sale and distribution located within an incorporated city or town in this state, or that is a retail electric provider (REP), as that term is defined in Utilities Code Section 31.002 that makes local sales within an incorporated city or town in this state. For MGRT purposes, a retail electric provider includes a REP that is owned, operated or controlled by an electric cooperative.

This publication is intended as a general guide and not as a comprehensive resource on the subjects covered. It is not a substitute for legal advice.

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[Comptroller.Texas.Gov](http://Comptroller.Texas.Gov)

# TEXAS TAX INFORMATION FOR RETAIL SELLERS OF ELECTRICITY

## PUBLIC UTILITY GROSS RECEIPTS ASSESSMENT ON ELECTRICITY (TEXAS UTILITIES CODE, CHAPTER 16)

The PUCA is imposed on each electric utility, retail electric provider and electric cooperative that serves the ultimate consumer in Texas. The assessment is equal to one-sixth of 1 percent (0.001667) of the electric utility's, REP's or electric cooperative's gross receipts from rates charged to the ultimate consumer in this state.

Utilities Code Section 31.002(6) defines an "electric utility" as a person or river authority that owns or operates for compensation in this state equipment or facilities to produce, generate, transmit, distribute, sell or furnish electricity in this state. The term includes a lessee, trustee or receiver of an electric utility and a recreational vehicle park owner who does not comply with Utilities Code, Chapter 184, Subchapter C, with regard to the metered sale of electricity at the recreational vehicle park.

Under Section 31.002(17), a "retail electric provider" is defined as a person who sells electric energy to retail customers in Texas. A retail electric provider may not own or operate generation assets.

Utilities Code Section 11.003(9) defines an "electric cooperative" as a corporation organized under Utilities Code, Chapter 161, or a predecessor statute to Chapter 161 and operating under that chapter; or a corporation organized as an electric cooperative in a state other than Texas that has obtained a certificate of authority to conduct affairs in Texas.

## CHARGES NOT SUBJECT TO MGRT OR PUCA

Nonbypassable delivery charges such as system benefit fund fees, nuclear decommission fees and transition charges are not subject to MGRT or PUCA.

## CALCULATING AND IDENTIFYING MGRT OR PUCA PASS-THROUGH CHARGES

The following guidelines apply to electric utilities, REPs and electric cooperatives (i.e., electric companies) that choose to identify separate pass-through charges on their customers' retail electric bills. Pass-through charges are gross receipts taxes or assessments imposed on utility companies that are passed through to their customers as a line-item charge separate from the charge for the electricity itself. These guidelines supplement any other billing requirements established by the Public Utility Commission of Texas.

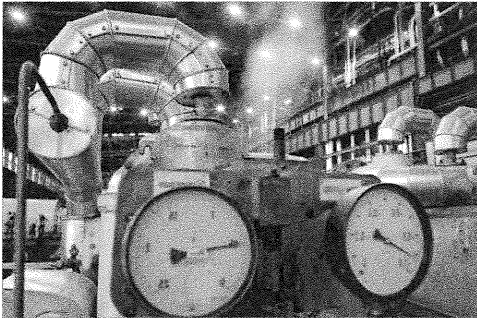
- Pass-through charges must be itemized and labeled on the customer's bill as a "reimbursement" of the tax or assessment. The billing must not expressly indicate that the charge is for a tax (that is, the term "tax" should not be used) because of the implication that the tax is imposed on the consumer.
- A customer may not be billed for reimbursement of a tax or assessment unless the company actually owes the tax or assessment as the result of its transaction with that customer. A company that collects a reimbursement in error should refund the amount of the reimbursement to its customer. Failure to do so may subject the utility company to a liability equal to the full amount of the reimbursement collected plus any accrued penalties and interest on the amount collected.
- The amount of the reimbursement charge must be calculated using the exact rate at which the tax

A company that collects  
a tax reimbursement in  
error should **refund**  
**the amount**  
to its customer.

A customer may not be billed for  
reimbursement of a tax or assessment  
unless the company actually owes the  
tax or assessment as the result of its  
transaction with that customer.

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or assessment is imposed on the utility company; any amount charged above that rate must be paid to the state unless it is refunded to the customer. Only the utility company that paid the tax or assessment directly to the state may request a refund from the Comptroller.

- Any sales tax due on the sales price of the electricity must be excluded from the calculation of the reimbursement charge.
- When the MGRT or PUCA is passed through to the retail customer as a reimbursement charge, the charge becomes a part of the sales price for the electricity for sales tax purposes and is subject to state sales and use tax in the same manner as the charge for the electricity itself. (Refer to the "Collection, Billing and Refund of State or Local Sales Tax on Retail Sales of Electricity" section of this publication.)

A detailed example showing the correct calculation of MGRT and PUCA reimbursement charges, as well as state and local sales tax, is provided at the end of this publication.

## CALCULATING A COMPANY'S MGRT OR PUCA LIABILITY

The following guidelines apply to the calculation of a company's MGRT or PUCA liability when the company lists separate pass-through charges on its customers' retail electric bills.

- If the MGRT or PUCA is passed through to the retail customer as a reimbursement charge, the amount of the reimbursement must be included in the company's gross receipts that are subject to

the tax or assessment. The fact that collection of reimbursement charges increases the company's tax or assessment liability does not mean that the company may overbill the reimbursement charge at a rate that is higher than the actual tax or assessment rate imposed on the company.

- When calculating the company's MGRT or PUCA liability, any sales tax collected from customers on behalf of the state must be excluded from the company's gross receipts.

## MGRT AND PUCA REFUNDS

When a company collects a reimbursement of the MGRT or PUCA in error, the company must refund the amount of the reimbursement to its customer before it may receive a refund of the tax or assessment from the Comptroller. A customer may not file a refund claim directly with the Comptroller to recover such a reimbursement, nor may the company assign its refund by issuing an Assignment of Right to Refund (Form 00-985) to the customer since the customer is not liable for the payment of the actual MGRT or PUCA.

## COLLECTION, BILLING AND REFUND OF STATE AND LOCAL SALES TAX ON RETAIL SALES OF ELECTRICITY

### GENERAL INFORMATION

The following guidelines apply to electric utilities, REPs, electric cooperatives and municipally owned utility companies that sell electricity to end-use consumers in Texas. These guidelines supplement any other billing requirements established by the Public Utility Commission of Texas.

Sales tax is imposed on the end-use consumer, not on the REP providing the electricity. The tax is collected by the REP on behalf of the state and remitted to the Comptroller. The total combined rate for state and local sales tax may not exceed 8.25 percent. Sales tax charges must be separately stated on the customer's electric bill and clearly identified as Texas state/local sales tax.

Retail electric customers

may not recover  
MGRT or PUCA pass-  
through charges directly  
from the Comptroller.

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# TEXAS TAX INFORMATION FOR RETAIL SELLERS OF ELECTRICITY

For sales tax purposes, electricity is a taxable item; however, its taxability is determined by the manner in which the electricity is used. (See the "Sales Tax Exemptions for Electricity" section of this publication.) When sold for commercial use, electricity is subject to state and local sales tax.

## STATE SALES TAX (TEXAS TAX CODE, CHAPTER 151)

State sales tax is imposed on each sale of taxable electricity at a rate of 6.25 percent of the sales price of the electricity. Residential use of electricity is exempt from the 6.25 percent state sales tax.

## LOCAL SALES TAX

Commercial use of electricity is subject to state and local sales tax ([comptroller.texas.gov/taxes/sales/](http://comptroller.texas.gov/taxes/sales/)). Local tax rates vary, but the maximum combination of local taxes cannot exceed 2 percent. The combined state and local sales tax rate for any location in Texas is 8.25 percent. City, Metropolitan Transit Authorities (MTA), City Transit Departments (CTD), Special Purpose Districts (SPD) and county sales taxes are imposed under Texas Tax Code Chapters 321-323. Other related tax code statutes affecting local taxes include Tax Code Chapters 324, 325 and 327, and Texas Transportation Code Chapters 451-453 and 460.

City, county, transit and SPD sales taxes are due based on where the customer receives the service. The location of the meter where the electricity is delivered determines the local taxes that apply. For example, city sales tax is applicable if the electricity is delivered to a meter that is located within the boundaries of an incorporated city. To determine or verify that a customer's location is within a particular jurisdiction, please contact the local taxing jurisdiction that has drawn the boundary's lines. Residential use of electricity is exempt from all county and transit Advanced Transportation Districts (ATD)MTA/CTD local sales taxes. It is also exempt from the sales tax imposed by most SPDs, as well as many cities.

City, county, transit and SPD sales taxes are due **based on** where the customer receives the service.

Only certain cities that adopted local sales tax before Oct. 1, 1979, and two specific types of SPDs associated with those municipalities – fire control, prevention and emergency medical services districts organized under Chapter 344, Local Government Code and crime control and prevention district organized under Chapter 363, Local Government Code – can opt to impose local tax on the residential use of electricity.

A list of cities and SPDs that impose sales tax on residential use of electricity, as well as a list of those jurisdictions eligible to impose the tax, is provided on the Comptroller's website. ([comptroller.texas.gov/taxes/sales/utility/](http://comptroller.texas.gov/taxes/sales/utility/))

## SALES TAX EXEMPTIONS FOR ELECTRICITY

Tax Code Section 151.317 provides that electricity is exempt from sales tax when sold for:

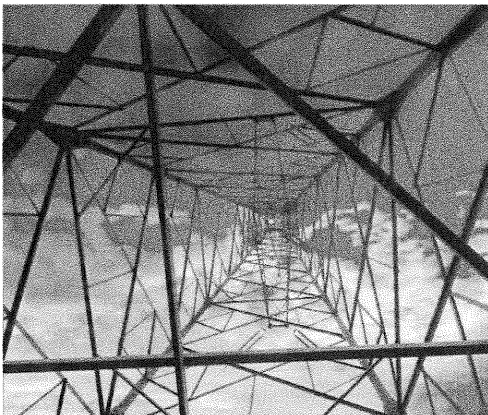
- \* residential use, except in certain cities and SPDs as noted above;
- \* use in powering equipment exempt under Tax Code Sections 151.318 or 151.3185 by a person processing tangible personal property for sale as tangible personal property, other than preparation or storage of prepared food described by Section 151.314(c-2);
- \* use in lighting, cooling and heating in the manufacturing area during the actual manufacturing or processing of tangible personal property for sale as tangible personal property, other than preparation or storage of prepared food described by Section 151.314(c-2);
- \* use directly in exploring for, producing or transporting a material extracted from the earth;

Local tax rates vary, but the maximum combination of local taxes **cannot exceed 2 percent**. The combined state and local sales tax rate for any location in Texas is 8.25 percent.

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- use in agriculture, including dairy or poultry operations and pumping for farm or ranch irrigation;
- use directly in electrical processes, such as electroplating, electrolysis and cathodic protection;
- use directly in the off-wing processing, overhaul or repair of a jet turbine engine or its parts for a certificated or licensed carrier of persons or property;
- use directly in providing, under contracts with or on behalf of the United States government or foreign governments; defense or national security-related electronics; classified intelligence data processing and handling systems; or defense-related platform modifications or upgrades;
- a direct or indirect use, consumption or loss of electricity by an electric utility engaged in the purchase of electricity for resale; or
- use in timber operations, including pumping for irrigation of timberland.

Other than residential customers, purchasers claiming an exemption from tax on electricity used in one of the activities identified above must provide a properly completed exemption certificate to the service provider. The exemption certificates will be good until the customer revokes the certificate in writing to the retailer or the retailer is notified that the registration number associated



with the blanket exemption certificate has expired, or been canceled or suspended.

**New Requirements for Agricultural and Timber Exemption Claims** – Beginning Jan. 1, 2012, a person claiming an agricultural exemption on sales tax used in the production of agricultural and timber products must provide to the service provider a registration number issued by the Comptroller of Public Accounts on a new exemption certificate. Purchasers claiming a sales tax exemption on electricity used in agriculture will need to issue the new Texas Agricultural Sales and Use Tax Exemption Certificate (Form 01-924). Purchasers claiming the exemption on electricity used in timber operations must issue the new Texas Timber Operations Sales and Use Tax Exemption Certificate (Form 01-925). This affects billing cycles beginning on and after Jan. 1, 2012. For more information, see “Texas Taxes for Agriculture and Timber Industries.” ([comptroller.texas.gov/taxinfo/agriculture/](http://comptroller.texas.gov/taxinfo/agriculture/))

**Government agencies** – In addition to the usage exemptions listed above, Tax Code Section 151.309 exempts from the payment of sales tax the state of Texas and any of its agencies or instrumentalities; any county, city, special district or other political subdivision of the state of Texas; any college or university created or authorized by the state of Texas; and the United States or an agency or instrumentality of the United States. Texas public schools, as well as any organizations listed under Tax Code Section 151.310, are also exempt from the payment of sales tax. A purchase order or voucher issued by a government agency is sufficient proof of the entity’s exempt status and an exemption certificate is not required.

## EXEMPT AND TAXABLE USAGE – PREDOMINANT USE

Electricity that is measured by a single meter and used by one entity for both exempt and taxable purposes during a regular monthly billing period is either totally exempt or totally taxable based on

Other than residential customers, purchasers claiming an exemption from tax on electricity used in one of the activities identified above must provide a properly completed exemption certificate to the service provider.

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the predominant use of the electricity. Comptroller Rule 3.295 provides guidelines to determine predominant use of electricity. To be exempt, a utility study must show that the predominant use of the electricity was for an exempt purpose. See Texas Admin. Code, Title 34, Part 1, Ch. 3, Section 3.295 for more information about predominant use studies.

## TAXABILITY OF COMPONENT CHARGES FOR SALES TAX PURPOSES

When a REP sells taxable electricity, the REP may bill its customers a lump-sum charge or separate amounts for the commodity, transmission and distribution services, system benefit fund fees, competition transition charges, municipal franchise fees, nuclear decommission fees and transition charges. The REP should collect sales tax on taxable uses of electricity on the amount it bills its customers for these services:

- the electric energy;
- transmission and distribution services;
- competition transition charges; and
- municipal franchise fees.

System benefit fund fees, nuclear decommission fees and transition charges are not subject to sales tax, provided the company gives the customer a separate listing of these fees. The company may send customers yearly statements of these charges or provide a separate listing each month.

A customer may file a sales tax refund claim directly with the Comptroller only if the claim is accompanied by an **Assignment of Right to Refund** (Form 00-985) obtained from the company.

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## SALES TAX REFUNDS

When a company collects an MGRT or PUCA reimbursement in error, the amount of the reimbursement is included in the price of the electricity for sales tax purposes, so the customer would have also paid sales tax in error, if applicable, on the reimbursement charge. In such a case, the amount of state and/or local sales tax collected from the customer as a result of the erroneous reimbursement must either be refunded to the customer or remitted to the state as "tax collected in error." If the company has already remitted the sales tax to the Comptroller and the company subsequently refunds the error tax to the customer, the company may file a claim for refund with the Comptroller or take a corresponding credit on its next sales and use tax return.

To file a refund claim, a company must send the Comptroller a signed refund request stating the company's name, address and taxpayer number; the amount to be refunded; the basis for the refund; and information that identifies any local taxing authorities for which the tax was remitted. A customer may file a sales tax refund claim directly with the Comptroller only if the claim is accompanied by an Assignment of Right to Refund (Form 00-985) obtained from the company. A sales tax refund claim must be filed in accordance with Texas Admin. Code, Title 34, Part 1, Ch. 3, Section 3.325.

## FOR MORE INFORMATION

For more information regarding gross receipts tax, the PUC assessment and state and local sales tax, visit our website at [comptroller.texas.gov/taxes](http://comptroller.texas.gov/taxes).

# TEXAS TAX INFORMATION FOR RETAIL SELLERS OF ELECTRICITY

## EXAMPLE:

### Proper Calculation of MGRT and PUCA Reimbursement Charges and State and Local Sales Tax Billed to Customers for Retail Electric Service

#### HYPOTHETICAL FACTS:

Commercial (\*or residential customer) located in a city with a population > 10,000

State sales tax rate: 0.0625  
 City sales tax rate: 0.01  
 MTA rate: 0.01  
 MGRT rate: 0.01997  
 PUCA rate: 0.001667

Charges for Electric Service	Column A taxable	Column B not taxable
1 Energy	146,164.04	
2 Customer Charge	5.43	
3 Metering Charge	120.35	
4 Distribution System Charge	18,898.22	
5 System Benefit Fund Fee		1,430.48
6 Nuclear Decommission Charge		
7 Excess Mitigation Charge	(6,124.37)	
8 Transition Charge		2,267.66
9 Transmission Service Charge	7,438.34	
10 Transmission Cost Recov Factor	92.30	
<b>11 Subtotal Energy Charges</b>	<b>166,594.31</b>	<b>3,698.14</b>
Subtotal for Reimbursement Calculation (Item 11)		
12 MGRT Reimb (\$166,594.31 x .01997)	3,326.89	
13 PUCA Reimb (\$166,594.31 x .001667)	277.71	
<b>14 Subtotal Reimbursement Charges</b>	<b>3,604.60</b>	
Subtotal for Sales Tax Calculation (Items 11a + 14)		
15 Sales Tax-City (\$170,198.91 x .01)	1,701.99	*1,701.99 <sup>1</sup>
16 Sales Tax-MTA (\$170,198.91 x .01)	1,701.99	Or 0.00 <sup>2</sup>
17 Sales Tax-State (\$170,198.91 x .0625)	10,637.43	Or *0.00 <sup>3</sup>
<b>18 Subtotal State &amp; Local Sales Tax</b>	<b>14,041.41</b>	Or <b>*1,701.99</b>
<b>19 Total Bill (Items 11a + 11b + 14 + 18)</b>	<b>187,938.46</b>	Or <b>*175,599.04</b>
	<i>*(If electricity was sold for residential use)</i>	

<sup>1</sup> City imposes sales tax on electricity sold for residential use

<sup>2</sup> Not applicable to electricity sold for residential use.

<sup>3</sup> Electricity sold for residential use is exempt from state sales tax

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ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF JOHNSON CITY, TEXAS AMENDING MUNICIPAL CODE OF ORDINANCES CHAPTER 11 *TAXATION*, ARTICLE 11.03 *SALES AND USE TAX* BY IMPOSING THE LOCAL SALES AND USE TAX ON TELECOMMUNICATIONS SERVICES; MAKING OTHER PROVISIONS RELATED THERETO, AND PROVIDING FOR THE EFFECTIVE DATE THEREOF.**

WHEREAS, the City Council of the City of Johnson City adopted a sales and use tax authorized by the Municipal Sales and Use Tax Act (the "Act") on July 1, 1968; and

WHEREAS, Section 321.210 of the Act authorizes the City of Johnson City to impose taxes on telecommunications services sold within the municipality by ordinance adopted by a vote of the majority of the membership of the City Council and entered in its minutes.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF JOHNSON CITY, TEXAS THAT:**

Part 1. That Chapter 11, Article 11.03 of the Municipal Code of Ordinances is amended by adding Sec. 11.03.003 as follows:

“Article 11.03. Sales and Use Tax.

Sec. 11.03.003 Telecommunications services sold within the municipality

- (a) A tax is hereby authorized on all telecommunications services sold within the City, pursuant to Section 321.210 of the Municipal Sales and Use Tax Act.
- (b) The rate of the tax imposed by this Section shall be the same as the rate imposed by the City for all other local sales and use taxes, as authorized by the legislature of the State of Texas, that being one and one-half cent for local tax.
- (c) The tax provided for hereunder shall not serve as an offset to, be in lieu of, or in any way reduce any amount payable to the City pursuant to any franchise, street use ordinance, charter provision, statute, or, without limitation by the foregoing enumeration, otherwise payable by any provider of telecommunications service; it being the express intent hereof that all such obligations, impositions, and agreements of every kind and nature shall remain in full force and effect without reduction or limitation hereby.”

Part 2. That the City Secretary is hereby directed to send to the Texas Comptroller of Public Accounts by United States certified or registered mail a copy of this Ordinance imposing the taxes on telecommunications services and directed to enter this Ordinance and the vote hereon in the minutes of the City Council meeting.

Part 3. This Ordinance shall take effect immediately from and after its passage by the

City Council of the City of Johnson City, Texas.

**PASSED AND APPROVED on this the 7<sup>th</sup> day of September, 2021.**

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Secretary





March 2021

# TAX TOPICS

**Glenn Hegar**

## LOCAL SALES AND USE TAX

Texas Comptroller of  
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### Local Sales and Use Tax Collection — A Guide for Sellers

#### In This Guide

(Note: The guidance provided is effective until September 30, 2021.)

INTRODUCTION .....	2	NATURAL GAS AND ELECTRICITY .....	9
IN-STORE SALES .....	2	NONRESIDENTIAL REAL PROPERTY REPAIR AND REMODELING SERVICES .....	9
ORDERS NOT PLACED IN PERSON .....	2	SEPARATED CONTRACTS FOR NEW CONSTRUCTION OR RESIDENTIAL REPAIR AND REMODELING PROJECTS .....	9
DETERMINING WHICH LOCAL TAXES ARE DUE .....	2	<b>TELECOMMUNICATIONS SERVICES .....</b>	<b>9</b>
<b>In-Depth Look at Local Sales and Use Taxes .....</b>	<b>4</b>	WASTE COLLECTION AND WASTE REMOVAL SERVICES .....	10
LOCAL TAXING ENTITIES .....	4	ITINERANT VENDORS .....	10
COMBINED AREAS .....	4	VENDING MACHINE SALES .....	10
LOCAL SALES TAX .....	4	ATOSKS .....	10
LOCAL USE TAX .....	5	REMOTE SELLERS .....	11
WHAT LOCAL SALES AND USE TAX IS DUE .....	7	<b>Additional Resources .....</b>	<b>11</b>
<b>Special Situations .....</b>	<b>8</b>	TEXAS TAX CODE AND COMPTROLLER RULES .....	11
AMUSEMENT SERVICES .....	8	COMPTROLLER PUBLICATIONS .....	11
CABLE AND SATELLITE TV SERVICES .....	8		
FLORISTS .....	8		
MARKETPLACE SALES .....	8		
MOTOR VEHICLE PARKING AND STORAGE .....	9		

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LOCAL SALES AND USE TAX COLLECTION - A GUIDE FOR SELLERS

INTRODUCTION

When you sell taxable goods or services in Texas, you must collect the 6.25 percent state sales or use tax and the appropriate local sales or use tax. This guide will help you collect and remit local taxes correctly.

In general, local sales tax is based on the location of the seller's place of business. Local use tax is based on the location where the customer receives the item. If you ship or deliver goods to your customers, you may have to collect local sales tax, local use tax, or both.

The local tax due cannot be more than 2 percent, so the most tax you can collect is 8.25 percent. Both state and local sales and use taxes are reported on your Texas Sales and Use Tax Return.

Use the Comptroller's online Sales Tax Rate Locator (visit [comptroller.texas.gov/taxes/sales](http://comptroller.texas.gov/taxes/sales)) to search for sales tax rates by address.

IN-STORE SALES

When a customer buys something in a store and leaves with it - for example, when a customer buys shoes at a department store - that is an in-store sale.

If you make in-store sales, you must:

- collect the 6.25 percent state sales tax, and
- collect the local sales tax due based on your store's location.

ORDERS NOT PLACED IN PERSON

As a general rule, you should collect local sales tax at your place of business where a sale is "consummated" or "made." You also have to collect additional local use tax due if you ship or deliver items to an address in another local taxing jurisdiction with a higher local sales and use tax rate.

DETERMINING WHICH LOCAL TAXES ARE DUE

You must collect local tax at the location where the sale is "consummated" or "made."

The following table and flow chart show generally what local tax you should collect based on where a sale is consummated. You can find examples in the "In-Depth Look at Local Sales and Use Tax" section on page 4.

**Note:** The following table and flow chart do not apply to marketplace sales. See page 8 for more information.

If your order was...	and the order was...	then you'll collect...
received at a Texas place of business	placed in person	local sales tax where the order was received
	not placed in person and not fulfilled at a Texas place of business	
	not placed in person, but was fulfilled from a Texas place of business	local sales tax where the order was fulfilled
not received at a Texas place of business	fulfilled from a Texas place of business	local sales tax where the order was fulfilled
	fulfilled from a Texas location that is not the seller's place of business	local sales tax at the "ship-to" location
	not fulfilled in Texas	local use tax at the "ship-to" location

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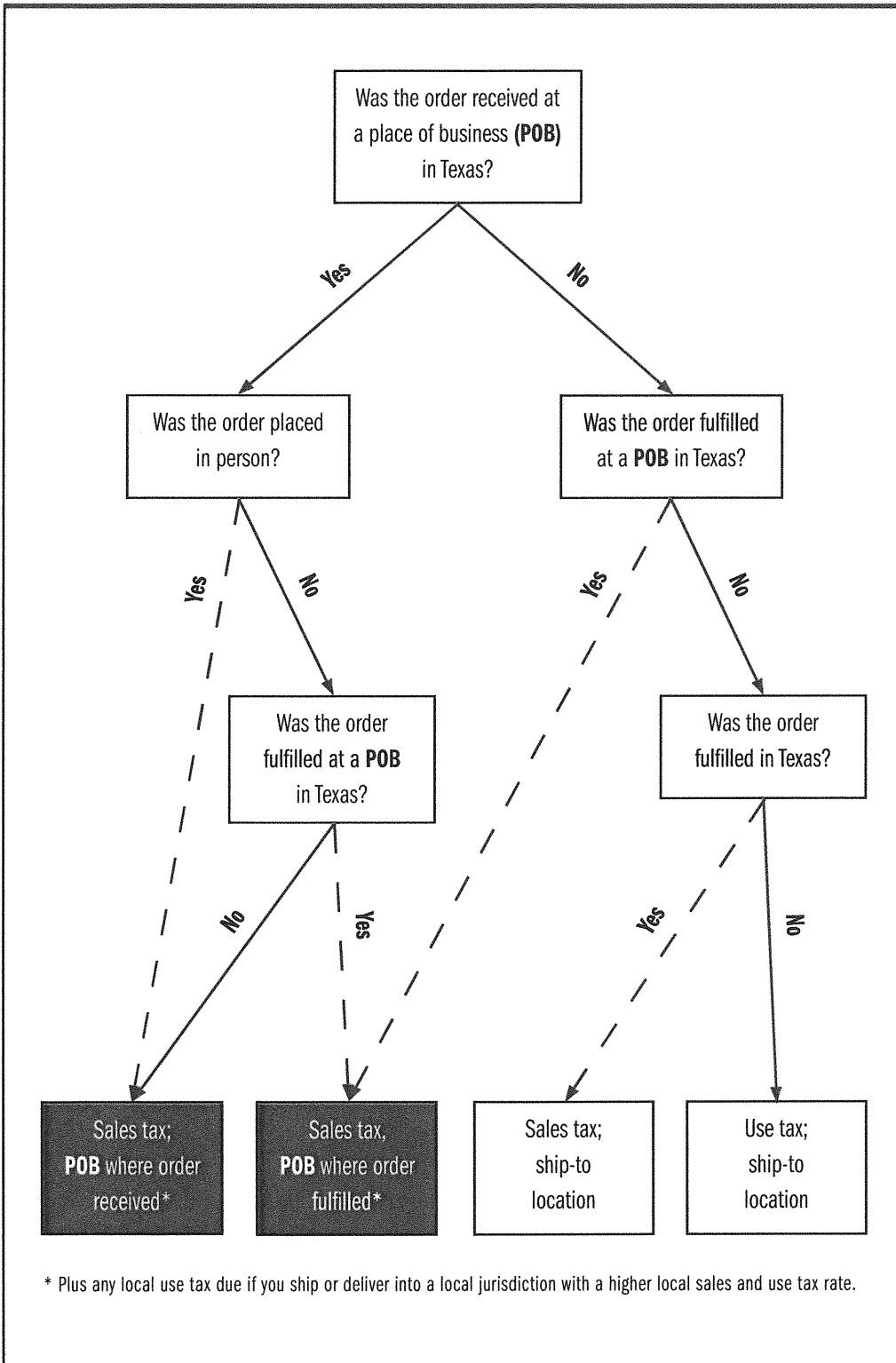
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LOCAL SALES AND USE TAX COLLECTION - A GUIDE FOR SELLERS

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\* Plus any local use tax due if you ship or deliver into a local jurisdiction with a higher local sales and use tax rate.

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SPECIAL SITUATIONS

If you sell one of these items or services, special instructions apply to your business. See page 8.

- Amusement Services
- Cable and Satellite TV Services
- Florists
- Marketplace Sales
- Motor Vehicle Parking and Storage Services
- Natural Gas and Electricity
- Nonresidential Real Property Repair and Remodeling
- Separated Contracts for New Construction or Residential Repair and Remodeling Projects
- Telecommunications Services
- Waste Collection or Waste Removal Services
- Itinerant Vendors
- Vending Machine Sales
- Kiosks
- Remote Sellers

In-Depth Look at Local Sales and Use Taxes

LOCAL TAXING ENTITIES

There are four types of local taxing entities in Texas:

- cities (including incorporated towns and villages)
- counties
- special purpose districts
- transit authorities

Each taxing entity has its own boundaries. Different types of taxing entities can cross or share boundaries. The combined local sales tax rate cannot be more than 2 percent.

**Example:** A business located inside the city limits of Corpus Christi is within the boundaries of three types of local taxing jurisdictions: the city of Corpus Christi, the Corpus Christi Crime Control and Prevention District and the Corpus Christi Regional Transit Authority. The total rate of local sales tax imposed at the business location is 2 percent.

Local taxing jurisdiction boundaries do not follow U.S. postal codes (ZIP codes). Many cities in Texas share a common ZIP code, and many ZIP codes encompass an area both inside and outside a taxing jurisdiction.

If you are not sure of the local taxes in effect at a given location, use the Comptroller's online **Sales Tax Rate Locator** (visit [comptroller.texas.gov/taxes/sales](http://comptroller.texas.gov/taxes/sales)) to search for sales tax rates by address.

COMBINED AREAS

There are several areas in Texas where city boundaries are allowed to overlap the boundaries of another taxing jurisdiction, even though the total local tax rate in these combined areas technically exceeds 2 percent.

The Comptroller maintains a 2 percent rate in these areas and shares the revenues between the overlapping taxing jurisdictions. These **combined areas** are listed on the Comptroller's website at [comptroller.texas.gov/taxes/sales/combined-area.php](http://comptroller.texas.gov/taxes/sales/combined-area.php).

Sellers collecting local tax in one of these areas must use the combined area local code when reporting sales and use taxes, instead of the regular city or SPD code.

LOCAL SALES TAX

Local sales tax is imposed on each sale of a taxable item consummated within the local taxing jurisdiction's boundaries.

Most sales are consummated at the seller's place of business in Texas.

A "**place of business**" is a store, office or other location operated by the seller to sell taxable items where sales personnel receive three or more orders. These orders must

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come from persons other than employees, independent contractors and people affiliated with the seller. Call centers, showrooms and clearance centers can be places of business of the seller if they meet the qualifications listed above.

The warehouse from which the person ships those items is not a place of business, unless the warehouse qualifies as a place of business.

A seller can have a single place of business in Texas, multiple places of business in Texas, or possibly no place of business in Texas, depending on its operations. A seller can also have a temporary place of business in Texas, such as a booth at a craft fair or art show or a parking lot sale outside a warehouse.

Local sales taxes for temporary places of business are collected in the same manner as other places of business.

### LOCAL USE TAX

Local use tax is due on the storage, use or other consumption of a taxable item within local taxing jurisdiction boundaries. Sellers are responsible for collecting local use tax if they ship or deliver a taxable item into a local taxing jurisdiction with a higher rate of local sales and use tax than the location where the sale is consummated.

Every local taxing jurisdiction with a local sales tax also has a local use tax. Use tax rates are the same as sales tax rates.

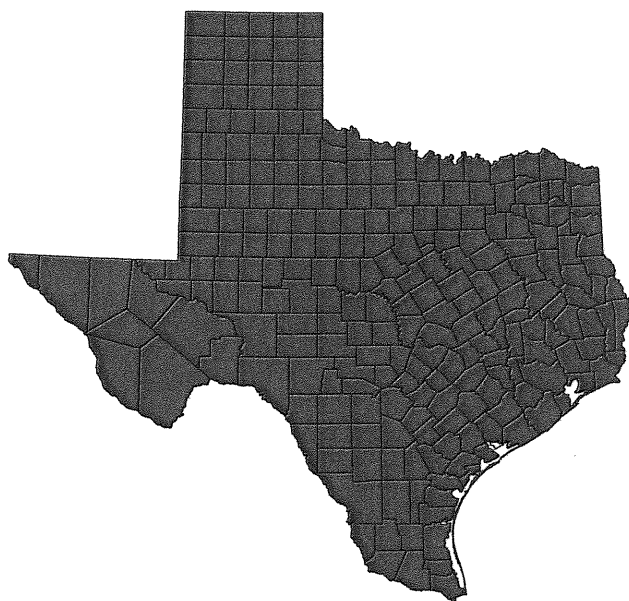
When state use tax is due on a taxable item, local use tax is also due at the location where the taxable item is shipped or delivered. If the ship-to location is not in a local taxing jurisdiction, local use tax is not due.

**Example:** A taxable item purchased at a store in Seattle is shipped to an address in Austin. State use tax of 6.25 percent is due on the taxable item. Local use tax of 2 percent is due based on the ship-to address.

When state sales tax is due on a taxable item, local sales tax is due where the sale is consummated. Local use tax may also be due if the item is shipped or delivered to a location in a different local taxing jurisdiction with a higher local sales and use tax rate.

Local sales tax and local use tax may be due on the same taxable item when:

- the total amount of local sales tax is less than 2 percent (the total amount of local tax imposed on any transaction cannot be more than 2 percent); and



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the local sales tax and local use tax are not the same type of local tax. If a city sales tax is due on a taxable item, for example, there will be no city use tax, even if the item is shipped or delivered to a different Texas city. In other words, local use tax is not due if a local sales tax of the same type is due.

Example: Pipe Creek and Bandera are cities in Bandera County, Texas. Pipe Creek does not have a city sales tax, Bandera has a 1.5 percent city sales tax and Bandera County has 0.5 percent county sales tax. A person buys a rocking chair at a store in Pipe Creek. Bandera County sales tax of 0.5 percent is due on the sale. If the seller ships the rocking chair from the Pipe Creek store to the person's home in the city of Bandera, the seller must collect the additional 1.5 percent Bandera city use tax that is due.

Note: The customer is responsible for paying directly to the Comptroller any local taxes you do not collect.

Example: A furniture seller has a store with an attached warehouse located outside the city limits of Corsicana, in Navarro County. Customers place orders in person at the store, and the seller fulfills the orders at its warehouse. The seller offers free delivery service to locations within 50 miles of the store/warehouse.

A customer shopping at the Navarro County store orders furniture for delivery to a location inside the city limits of Ennis. Since the store where the order is received is outside the city limits of Corsicana, no city sales tax is due. The seller must, however, collect county sales tax of 0.5 percent for Navarro County. Because the total amount of local sales tax due is less than 2 percent, the furniture seller has to also collect additional local use taxes due based on the point of delivery.

The city of Ennis imposes a 1.5 percent city sales and use tax. Since the seller is delivering the furniture to the buyer, the seller must collect the city's use tax. Therefore, the total amount of sales and use tax that the seller must collect on the transaction is 8.25 percent, consisting of 6.25 percent state sales tax, 0.5 percent Navarro County sales tax and 1.5 percent Ennis city use tax.

RULES TO FOLLOW

Use these rules to determine if local use tax is due in addition to local sales tax.

2 percent cap

The maximum amount of local sales and use tax due on a sale in Texas is 2 percent. You cannot collect more than a total of 2 percent combined local sales and use taxes. If a local use tax cannot be collected or accrued at its full rate without going over 2 percent, you cannot collect it. You must collect applicable local use taxes when you ship or deliver a taxable item into a local taxing jurisdiction with a higher rate of local use tax when the 2 percent cap is not reached at the location where the sale is consummated.

Tax type order

You must collect applicable local use taxes in the following order:

- 1. City
2. County
3. Special purpose districts (SPDs)
4. Transit authorities

Different tax type

You cannot collect a local use tax if a local sales tax of the same tax type is due.

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A second customer places an order in person at the store for delivery to an address in Waxahachie. Again, the seller must collect Navarro County sales tax of 0.5 percent.

Waxahachie imposes a local city sales and use tax of 2 percent. Since the seller is delivering the furniture to the buyer, the seller must collect any taxes due in the city of Waxahachie. The seller cannot, however, collect the total amount of the Waxahachie city use tax (2 percent) without exceeding the 2 percent cap. Therefore, the total amount of sales and use tax that the seller must collect on the transaction is 6.75 percent, consisting of 6.25 percent state sales tax and 0.5 percent Navarro County sales tax.

You can use the Comptroller's online **Sales Tax Rate Locator** (visit [comptroller.texas.gov/taxes/sales](http://comptroller.texas.gov/taxes/sales)) to search for sales and use tax rates by address.

### WHAT LOCAL SALES AND USE TAX IS DUE

Sellers that are required to collect state sales and use tax are also required to collect the applicable local sales and use tax for every local taxing jurisdiction.

Apply the following guidelines to determine where local sales and use tax is due, (unless a special situation applies, see page 8):

**Order placed in person at a seller's place of business in Texas** – the sale is consummated at that place of business.

**Example:** A restaurant that sells pizza is a place of business. When a customer goes to the restaurant in person to place an order, the sale is consummated at the restaurant, and local sales tax is due based on the restaurant's location.

**Order fulfilled at a seller's place of business in Texas** – if the order is NOT placed in person, the sale is consummated at the place of business of the seller where the order is fulfilled. It does not matter if the order was received at a place of business of the seller. An order is fulfilled when it is shipped or delivered to a location named by the customer.

**Example:** A retailer has two places of business, Office Supply Store A and Office Supply Store B. Office Supply Store A receives an order from a customer over the telephone. Office Supply Store B fulfills the order. This order is consummated



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at Office Supply Store B because it is the place of business where the order was fulfilled. Local sales tax is due based on the retailer's location that fulfilled the order, Office Supply Store B. If the retailer ships or delivers into a location with a higher local sales and use tax rate than Office Supply Store B, the retailer has to collect the additional local use tax due.

**Order not fulfilled at a seller's place of business in Texas, but received at a seller's place of business in Texas** – the sale is consummated at the place of business in Texas where the order is received.

**Example:** A retailer sells discount merchandise. Customers place orders over the phone with the seller at the seller's office location. The office location where the seller receives these orders is a place of business because the seller receives more than three orders there during a calendar year. The seller has contracted for a third party to store, pick, pack and ship merchandise on the seller's behalf, so orders are not fulfilled at the seller's place of business. The sales are consummated at the seller's office location where the orders are received, and local sales tax is due based on the seller's office location. If the seller ships or delivers into a location with a higher local sales and use tax rate than their office location, the seller has to collect the additional local use tax due.

**Order not received or fulfilled at a seller's place of business in Texas, but fulfilled at a Texas location that is not a place of business of the seller** – the sale is consummated at the location in Texas where the order is shipped or delivered.

**Example:** A seller operates stores in Texas and Arkansas. The seller also maintains a warehouse that is not a place of business in Texas where it stores merchandise. A customer visits the seller's store in Arkansas and buys an item that is out of stock. The seller agrees to ship the item from its Texas warehouse to the customer's Texas address. The sale is consummated at the

customer's address because the order was not received at a place of business in Texas (it was received at an Arkansas store), and it was not fulfilled at a place of business in Texas (it was fulfilled at the warehouse). Local sales tax is due based on the customer's address.

**Order received at and fulfilled from a location outside of Texas** – the sale is not consummated in Texas, so local sales tax is not due. Local use tax may be due if the order is shipped or delivered to a location in Texas that is within the boundaries of a local taxing jurisdiction. See page 11 for special rules for remote sellers.

### Special Situations

Different rules apply in these situations.

#### AMUSEMENT SERVICES

Collect local taxes on **amusement services** where the performance or event occurs.

#### CABLE AND SATELLITE TV SERVICES

Collect local taxes on **cable television services** where the customer receives the service. Satellite service, commonly known as "direct-to-home" satellite service, is exempt from local tax under the Federal Telecommunications Act of 1996.

#### FLORISTS

**Florists** collect local taxes based on the location of the place of business that takes the order, regardless of where the order is fulfilled or delivered.

#### MARKETPLACE SALES

**Marketplace** providers that are engaged in business in Texas must collect and remit tax on all third-party sales. The tax is based on the shipping destination. Examples include Amazon, eBay, Walmart Marketplace, and Etsy. Marketplace providers are not eligible to use the **single local use tax rate**.

Marketplace sellers are not responsible for collecting and remitting sales and use tax on their sales through the marketplace if the marketplace provider has certified they will collect any applicable tax, but they must retain sales records.

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**MOTOR VEHICLE PARKING AND STORAGE**

Collect local taxes based on the location where the parking service occurs.

**NATURAL GAS AND ELECTRICITY**

Collect local taxes based on where the customer receives the gas or electricity. Residential use of gas and electricity is exempt from county, transit and most special purpose district taxes, and in many cities, city tax. Lists of all cities and special purpose districts currently imposing sales tax on the residential use of gas and electricity and those cities and special purpose districts eligible to do so are available online at [comptroller.texas.gov/taxes/sales/utility/](http://comptroller.texas.gov/taxes/sales/utility/).

**NONRESIDENTIAL REAL PROPERTY REPAIR AND REMODELING SERVICES**

If you provide repair or remodeling services on nonresidential improvements to realty, the entire charge is subject to local tax, regardless of whether it is billed as a separated or lump-sum charge. Collect local taxes for labor and materials based on the location of the job site.

**SEPARATED CONTRACTS FOR NEW CONSTRUCTION OR RESIDENTIAL REPAIR AND REMODELING PROJECTS**

If you perform new residential construction, new commercial construction, or residential repair and remodeling under a separated contract, you must collect local taxes on the

separately stated charge for materials based on the location of the job site.

**TELECOMMUNICATIONS SERVICES**

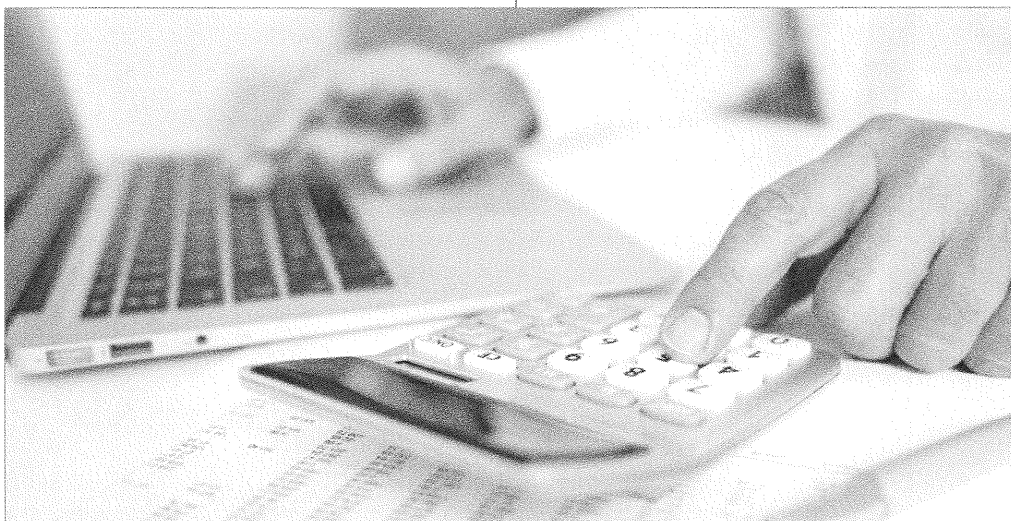
Telecommunications services are subject to the state sales tax, but are not automatically subject to local sales tax. By federal law, all interstate telecommunications are excluded from the tax. A list of jurisdictions that impose tax on telecommunications services is available online at: [comptroller.texas.gov/taxes/publications/96-339.php](http://comptroller.texas.gov/taxes/publications/96-339.php).

*Landline Telecommunications Services*

Collect local taxes, when due, on landline telecommunications services sold on a call-by-call basis based on the location of the telephone or other device where the call or other transmission originates. If you cannot determine where the communication originates, collect local tax based on the address where the service is billed.

*Mobile Telecommunications Services*

Collect local taxes on mobile telecommunications services (such as cell phones) based on the place of primary use. The place of primary use must be the customer's residential street address or the primary business street address within the service provider's licensed service area. If the person who contracts for the service with the service provider is not the end user, the end user's place of primary use determines which local taxes are due.



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LOCAL SALES AND USE TAX COLLECTION - A GUIDE FOR SELLERS

WASTE COLLECTION AND WASTE REMOVAL SERVICES

Collect local taxes where the waste is collected or picked up for removal.

ITINERANT VENDORS

A seller who does not have a place of business in Texas, and who travels to various locations to receive orders and make sales, is an itinerant vendor. Itinerant vendors collect sales tax for all local taxing jurisdictions in Texas where deliveries are made or where the customer takes possession of the items.

**Example:** A person who only receives orders and makes sales in San Antonio and has no place of business in the state must collect all applicable local San Antonio sales taxes due on each sale.

VENDING MACHINE SALES

Vending machine operators are considered itinerant vendors and must collect local sales tax for the taxing jurisdictions where the vending machines are located.

KIOSKS

A "kiosk" is a booth, stall or similar small, stand-alone area located within another seller's place of business (such as a department store or shopping mall) that is used solely to display merchandise or submit orders for taxable items from a data entry device. A seller can take orders at a kiosk, but a kiosk does not have inventory in stock to transfer directly to customers. Although the kiosk itself is not a place of business, if you operate a kiosk, you are **engaged in business** in this state.

When items ordered at a kiosk are shipped or delivered to a customer from the seller's place of business in Texas, then local sales tax is due at the seller's place of business. If the total local sales tax is less than 2 percent, local use tax may also be due based on the location in Texas where the customer receives the taxable items.

When items ordered at a kiosk are shipped or delivered from a location that is not a Texas place of business of the seller, or from a location outside of Texas, local sales or use tax is due based on the location where the taxable items are shipped or delivered.



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## REMOTE SELLERS

A remote seller is a seller whose only activities in Texas are remotely soliciting sales. Remote sellers with total Texas revenue of \$500,000 or more, in the preceding 12 calendar months, must have a permit and collect and remit use tax.

A remote seller may choose to collect either

- local use tax based on the ship-to location; or
- the single local use tax rate.

The Comptroller's office will compute the single local use tax rate and publish it in the *Texas Register* prior to the beginning of each calendar year. The current single local use tax rate is 1.75 percent.

**Note:** To collect the single local use tax rate, you must notify the Account Maintenance Division via email or mail using **Form 01-799, Remote Seller's Intent to Elect or Revoke Use of Single Local Use Tax Rate (PDF)**.

The email address is [sales.applications@cpa.texas.gov](mailto:sales.applications@cpa.texas.gov).

The mailing address is:

Comptroller of Public Accounts  
P.O. Box 149354  
Austin, TX 78714-9354

## Additional Resources

## TEXAS TAX CODE AND COMPTROLLER RULES

Links to the Texas Tax Code and Comptroller rules are on our website at [comptroller.texas.gov/taxes/sales/](http://comptroller.texas.gov/taxes/sales/).

- Rule 3.334 - Local Sales and Use Taxes
- Rule 3.298 - Amusement Services
- Rule 3.313 - Cable Television Service and Bundle Cable Service
- Rule 3.291 - Contractors
- Rule 3.307 - Florists
- Rule 3.293 - Food; Food Products; Meals; Food Service (for information about vending machines)
- Rule 3.315 - Motor Vehicle Parking and Storage
- Rule 3.295 - Natural Gas and Electricity
- Rule 3.357 - Nonresidential Real Property Repair, Remodeling, and Restoration; Real Property Maintenance
- Rule 3.356 - Real Property Service
- Rule 3.286 - Seller's and Purchaser's Responsibilities
- Rule 3.344 - Telecommunications Services

## COMPTROLLER PUBLICATIONS

Links to Comptroller publications are on our website at [comptroller.texas.gov/taxes/publications/](http://comptroller.texas.gov/taxes/publications/).

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