Sales Tax

Document Number: BUSO-0022 **Date Published(sys):** 8/5/2025

General Description

Policy Summary:

A non-profit organization having tax-exempt status under the IRS designation of 501(c)(3) or (4) will be given sales tax exemption by the State of Texas. As a designated 501(c)(3) organization, Trinity University is exempt from sales and use tax for purchases that further the mission of the university.

Purpose:

The purpose of this policy is to ensure Trinity's authorize agent, student (USO), volunteer, or employee can purchase in-state items tax-free for Trinity University exempt purpose.

Scope:

This policy applies to authorized agents, students (USO), volunteers, or employees of Trinity University.

Exceptions:

- Beer, wine and liquor purchases do not usually qualify for exemption because they are not part of the nonprofit's exempt purpose.
- Authorize agents, students (USO), volunteers, or employees cannot buy personal items tax free, even if traveling on official business or if reimbursed by the nonprofit organization.
- Sales tax exemption does not apply to the purchase, rental or use of motor vehicles.

Policy Content

Sales/Use Tax

Any authorized agent, student (USO), volunteer, or employee of Trinity University who is purchasing an item necessary to Trinity's exempt function should use the **Texas Sales Tax Exemption Certificate** to ensure the purchase is tax free. Complete all blank sections and be as specific as possible when completing the "description" area of the certificate, sign it and provide it to the Texas vendor. A copy of the completed Tax Exemption Certificate should be maintained in your records if a purchase is later questioned during a State audit.

Student organizations sponsored by Trinity University (as identified in the Student Handbook) are also exempt from sales and use taxes. All other student organizations are subject to sales tax unless they have obtained an exemption certificate from the State Comptroller's Office.

Hotel Occupancy Tax

All states and cities have different hotel occupancy tax laws. In Texas there are two taxes levied: a state occupancy tax and a city occupancy tax. Trinity University is exempt from the state portion of the hotel occupancy tax as an educational organization. When staying in a hotel/motel within the state of Texas, the individual should provide the Hotel Occupancy Tax Exemption Certificate to the lodging place at the time of check-in.

Most hotels/motels will require the traveler to provide a hard or digital copy of the tax exempt certificate.

No individual or institution is exempt from city tax in Texas unless the guest stays for more than 30 days.

Because laws differ from state to state, a traveler may inquire about the tax status of a particular location at the time of making reservations or registering, and may carry a Hotel Occupancy Tax Exemption Certificate.

If the traveler pays a hotel bill with a personal credit card, any tax exemption will be forfeited. To take advantage of an exemption, the traveler must prepay the hotel through the University, following the University's travel procedures.

Terms & Definitions

Terms and Definitions:

Term:	Definition:
USO	University Sponsor Organization as identified in Trinity's Student Handbook
Sales Tax	Tax on sales or on receipts from sales.
Use Tax	Use tax is a tax that is imposed on the use, storage, or consumption of goods and

Term:	Definition:
	services that were purchased without paying sales tax.
Hotel Occupancy Tax	Hotel Occupancy tax is a tax on the short-term rental of rooms for stays less than 30 days that the city, county, state or country may require; it is a percentage of the price of accommodations and any additional fees like cleanings or extra guests. An occupancy tax can also be referred to as a lodging tax, a room tax, a sales tax, a tourist tax, or a hotel tax.
In-State	Within the state of Texas.

Attachments

Texas Sales Tax Exemption Certificate

Hotel Occupancy Tax Exemption Certificate

Revision Management

Revision History Log:

Revision #:	Date:	Recorded By:
v2.0	7/18/2025 10:58 AM	Pamela Mota
v1.0	7/25/2019 1:44 PM	Holly Warfel

Vice President Approval:

Name:	Title:
Mark Detterick	Vice President for Finance and Administration