

**UNIVERSITY OF HOUSTON SYSTEM
ADMINISTRATIVE MEMORANDUM**

SECTION: Fiscal Affairs

NUMBER: 03.A.12

AREA: General

SUBJECT: Exemption from State of Texas Taxes for University Expenditures

1. PURPOSE

As state agencies, all component universities of the University of Houston System are exempt from various State of Texas taxes in accordance with [Section 151.309](#) and [Section 156.102](#), Texas Tax Code. This document describes these taxes and the procedures necessary to claim the exemption.

2. POLICY

- 2.1. A taxable item sold, leased, or rented to, or stored, used or consumed by any component of the University of Houston System is exempt from state, local and Mutual Transit Authority sales and use taxes within the State of Texas.
- 2.2. Persons purchasing items for use by the university shall claim exemption from sales and use tax within the State of Texas in every possible case, using the Texas Sales and Use Tax Exemption Certification posted on the UHS Official Tax Documents web page (http://www.uh.edu/finance/pages/tax_doc.htm).
- 2.3. Component universities are exempt from the state portion of hotel occupancy taxes for lodging establishments in Texas, but are not exempt from local portion of hotel occupancy taxes for Texas lodging establishments.
- 2.4. Persons traveling on official component university business inside Texas shall claim the exemption from the state portion of hotel occupancy tax, using the Texas Hotel Occupancy Exemption Certificate posted on the UHS Official Tax Documents web page (http://www.uh.edu/finance/pages/tax_doc.htm).
- 2.5. Component universities are not exempt from taxes imposed by another state.
- 2.6. If allowed by the component university, tax paid on purchased goods or services for university use where the tax should have been exempt may be reimbursed from university funds, except for sponsored project and ~~state-state~~-appropriated funds.

3. REVIEW AND RESPONSIBILITY

Responsible Party: Senior Associate Vice Chancellor for Finance

Review: Every three years on or before September 1

4. APPROVAL

Approved: Carl P. Carlucci
Executive Senior Vice Chancellor for Administration and Finance

Renu Khator
 Chancellor

Date: May 25, 2011

~~5. INDEXING TERMS~~

~~Hotel Occupancy Tax~~

~~Local Taxes~~

~~Sales Tax~~

REVISION LOG

Revision Number	Approved Date	Description of Changes
1	05/07/1993	Initial version
2	02/28/2007	Applied revised SAM template. Emphasized in Section 2.1 the exemption of taxes within the State of Texas. Removed Exhibit A and B and replaced with the Use Tax Exemption Certification web page documentation in Sections 2.2 and 2.4. Changed review period from odd numbered years on or before September 1 st to every three years on or before September 1 st
3	05/25/2011	Applied revised SAM template and added new revision log. Removed reimbursement consideration in Section 2.2. Clarified lodging taxes for state versus local in Section 2.3. Added Section 2.7, indicating reimbursed taxes for goods and services except for sponsored project and state-appropriated funds
<u>4</u>	<u>TBD</u>	<u>Updated titles and hyperlinks as applicable. Removed Section 5, Indexing Terms. No additional changes were made by the Subject Matter Experts (SMEs)</u>