

**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 Sections 151.309 and 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 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). If necessary, tax on purchased items for university use where the tax is non-exempt, may be reimbursed from university funds, except for sponsored project funds.
- 2.3. Component universities are exempt from state hotel occupancy taxes, but are not exempt from local hotel occupancy taxes.
- 2.4. Persons traveling on official component university business inside Texas shall claim the exemption from the state 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.

3. REVIEW AND RESPONSIBILITY

Responsible Party: Associate Vice Chancellor for Finance

Review: Every three years on or before September 1.

4. APPROVAL

Approved: John Rudley
Vice Chancellor for Administration and Finance

Jay Gogue
Chancellor

Effective Date: February 28, 2007

5. INDEXING TERMS

Hotel Occupancy Tax
Local Taxes
Sales Tax