

Texas Administrative Code, Title 34, Part I, Chapter 3, Subchapter O, Rule §3.316 (k)

(k) University and college student organizations.

(1) A sale of a taxable item by a qualified student organization is exempt from sales tax if:

(A) the student organization sells the items at a sale that lasts for one day only, and the primary purpose of the sale is to raise funds for the organization;

(B) the student organization holds not more than one fund-raising sale each calendar month for which the exemption is claimed;

(C) the student organization has as its primary purpose a purpose other than being engaged in business or performance of an activity that is designed to make a profit; and

(D) the sales price of the taxable item is \$5,000 or less, except that a taxable item that the organization manufactures or has received by donation may be sold tax free during the one-day sale, regardless of sales price, if the item is not sold to the donor.

(2) A taxable item acquired tax free under paragraph (1) of this subsection is exempt from use tax on its storage, use, or consumption until the item is resold or subsequently transferred.

(3) The first \$5,000 of a qualified student organization's total receipts from sales of taxable items in a calendar year that are not exempted under paragraph (1) of this subsection are exempt from sales tax.

(4) A qualified student organization must be affiliated with an institution of higher education as defined by Education Code, §61.003, or a private or independent college or university that is located in this state and that is accredited by a recognized accrediting agency under Education Code, §61.003. A student organization must file with the comptroller a certification issued by the institution, college, or university showing that the organization is affiliated with the institution, college, or university. A college, university, or institution may designate one of its departments or officers to compile a list of registered or certified student organizations and submit the list to the comptroller in lieu of having each student organization submit individual certifications. The certification is valid until the institution, university, or college notifies the comptroller that a student organization is decertified, suspended, or otherwise loses its campus privileges or affiliation with the institution, university, or college.