FISCAL MEMORANDUM 97-13

TO: Administration
    Information and Technology Exchange Center
    Divisions/Centers

SUBJECT: Sales Tax Reimbursements

The State Comptroller’s Office has clarified that state agencies can no longer reimburse employees for sales and use taxes they personally pay when purchasing items or services for state use. This affects both purchase and travel voucher reimbursements and is effective immediately.

An item that a TTI employee purchases for TTI use is not subject to sales and use tax if the employee properly issues an exemption certificate to the seller of the item. A copy of the attached exemption certificate, signed by the purchaser, should be presented to vendors when individuals are purchasing items or services. If this exemption form is presented and refused by the vendor, the sales tax for the purchase will be the responsibility of the individual.

However, an employee must pay the sales and use tax on a taxable item that the employee purchases while traveling on official state business if the item is for personal use. Meal expenses, parking fees, and hotel fax services are examples of items for which the sales and use tax must be paid by the employee while in travel status and the tax will be reimbursed by TTI.

TTI is still exempt from paying sales tax on items which are billed to the Institute and paid directly to the vendor with a TTI check. Sales tax which appears on invoices from vendors should be deducted prior to submitting the voucher to the Business Office.

The Texas Sales and Use Tax Exemption Certification form is available on the TTI Intranet as form 8462. If you have any questions, please contact Ms. Charlene Meier at 845-9855 or Mr. Walter Winkelmann at 845-9859.

Don Bugh
Associate Agency Director