

## **Sales Tax Rules for TFRW Clubs**

The Texas Tax Code is the source of the rules applying to Texas Sales and Use Tax for organizations in Texas. These rules are enforced by the Texas Comptroller's Office. All organizations operating in the State of Texas are subject to the Texas Tax Code unless the Tax Code specifically exempts that organization. The rules applying to sales and use taxes are found in the Texas Tax Code at Title 34, Part 1, Chapter 3, Subchapter O.

TFRW and its member clubs are engaged in business in the State of Texas whenever they meet or hold events or fundraisers

(Rule § 3.286 (a)(1)(A) or (C)) Engaged in business – A seller is engaged in business in Texas if the seller maintains, occupies or uses, permanently or temporarily, directly or indirectly, or through an agent, by whatever name called, an office, place of distribution, sales or sample room, warehouse or storage place or other place of business.

TFRW and its member clubs are not considered tax exempt by the State of Texas because the State of Texas does not offer an exempt status to political action committees.

If a club wishes to discuss specific activities or events, you can contact the Texas Comptroller's office at 800-252-5555. For more information on exempt status you may contact Ms. Irene Cage in the Texas Comptroller's Exempt Organization Section can be reached at 800-531-5441 extension 32995.

Remember when applying for your sales tax permit that our tax exempt status with the IRS falls under the Internal Revenue Code Section 527 (political action committees) and not under Internal Revenue Code Section 501(c).

Remember, we do not always like the rules, but we are committed to living and abiding by those rules. If I can be of any additional assistance in applying for your sales tax permit, please call.

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