



Institutional Handbook of Operating Procedures
Policy 07.01.24

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| Section: Student Policies | Responsible Vice President: Executive Vice President & Provost |
| Subject: Student Services and Activities | Responsible Entity: Council of Deans |

I. Title

Tax-Free Sales by Registered Student Organizations

II. Policy

Texas law allows a [Registered Student Organization](#) (RSO), that has as its primary purpose a purpose other than engaging in business or performing an activity designed to make a profit, to be relieved from state sales tax liability for fund-raising sales of taxable items(s) (a) for which the sales price is \$5,000 or less, or (b) which are manufactured by or donated to the RSO, regardless of the sales price unless sold to the donor. This exemption applies if the RSO sells the item at a sale that lasts for one day only, and the primary purpose of the sale is to raise funds for the RSO. The RSO may not hold more than one such sale per month and must file with the Comptroller a certificate issued by UTMB establishing the organization's affiliation with UTMB.

Refer to Chapter 151 of the Texas Tax Code for more information regarding this exemption, such as what constitutes a "taxable item". Additional guidance is also available from the Texas Comptroller's office online in the Texas Administrative Code, as certain items may or may not be expressly exempt from this tax requirement (e.g., 34 TAC Rule §3.293 Food; Food Products; Meals; Food Service).

All proposed sales events are subject to the Rules and Regulations of the Board of Regents of The University of Texas System, and to other institutional policies concerning the time, place, and manner of solicitation. Sales events must be conducted for the benefit of the registered student organization and may not involve another entity not authorized to solicit under UTMB Policy or the Rules and Regulations of the Board of Regents of The University of Texas System. The items offered for sale may not be items that the registered student organization obtained on consignment.

III. Relevant Federal and State Statutes

[Texas Tax Code §151.321](#)

[Texas Administrative Code, Title 34, Part 1, Chapter 3, Subchapter O](#)

IV. Additional References

[Handbook for Registered Student Organizations](#)

V. Dates Approved or Amended

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| <i>Originated: 09/01/1996</i> | |
| <i>Reviewed with Changes</i> | <i>Reviewed without Substantive Changes</i> |
| 07/15/2014 | 06/26/2017 |
| 08/27/2025 | |

VI. Contact Information

Office of Student Life
(409) 772-1996

