

S U S A N

C O M B S

TEXAS COMPTROLLER *of* PUBLIC ACCOUNTS

P.O. Box 13528 • AUSTIN, TX 78711-3528



October 24, 2007

Dear Taxpayer:

This year during the 80th Session, the Texas Legislature passed House Bill 2833 requiring locksmiths and private security consultant companies, including companies providing cyber vulnerability testing, to be licensed with the Private Security Bureau of the Texas Department of Public Safety as security service contractors under Texas Occupations Code § 1702.102. This requirement applies to all new and renewal license registrations filed with the Texas Private Security Bureau on and after Jan. 1, 2008.

Services for which a license is required under Occupations Code § 1702.102 are subject to sales tax as security services under Tax Code § 151.0075. Therefore, locksmiths and security service consultants must have a Texas sales tax permit and start collecting and remitting sales tax on their services effective Jan. 1, 2008.

The entire amount charged for providing taxable security services, including labor and materials, is subject to tax. More information about properly collecting sales tax on security services is available in publication 94-119, "Security Services," which is available online at [www.window.state.tx.us/taxinfo/sales/index.html](http://www.window.state.tx.us/taxinfo/sales/index.html).

For your convenience, an application for a Texas sales and use tax permit is enclosed. To apply for a sales tax permit online, go to Texas Online Tax Registration Application at [www.window.state.tx.us/taxpermit/](http://www.window.state.tx.us/taxpermit/).

We hope this information is helpful. If you have any questions concerning this new law or your tax collection responsibilities, please call us toll free at (800) 252-5555, or in Austin at (512) 463-4600 or e-mail us at [tax.help@cpa.state.tx.us](mailto:tax.help@cpa.state.tx.us).

Sincerely,

A handwritten signature in black ink that reads "Bryant Lomax". The signature is fluid and cursive.

Bryant Lomax  
Manager, Tax Policy Division

Enclosure