

S U S A N

C O M B S

TEXAS COMPTROLLER *of* PUBLIC ACCOUNTS

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



September 15, 2008

Dear Taxpayer:

Texas Tax Code Section 151.317 exempts gas and electricity from Texas sales and use tax when sold for residential use. Representatives of the Texas Association of Campground Owners (TACO) have submitted sufficient information regarding predominant residential use of gas and electricity in campgrounds to verify qualifications for this exemption.

Based on this information, we will allow campground owners to submit exemption certificates claiming predominant residential use to utility companies without performing utility studies.

Your firm may accept these exemption certificates in good faith without verification that a study has been performed.

Please note that since the utilities are exempt as residential use, they are exempt from state, county, special purpose district and transit authority sales taxes. The utilities are subject to city sales tax (1 percent – 2 percent) in those cities that impose tax on residential use of natural gas and electricity.

A list of cities with tax on residential use of gas and electricity is available online: [www.window.state.tx.us/taxinfo/utility/reflist.html](http://www.window.state.tx.us/taxinfo/utility/reflist.html).

Please review Rule 3.295, Natural Gas and Electricity, found on our Web site at [www.window.state.tx.us/taxinfo/sales/](http://www.window.state.tx.us/taxinfo/sales/).

Please let me know if I can be of additional help in this matter. You may call me toll free at (800) 531-5441, ext. 3-4987, or direct in Austin, Texas at (512) 475-4987. You may also submit questions by e-mail 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 written in a cursive, flowing style.

Bryant Lomax  
Manager, Tax Policy Division