

S U S A N  
C O M B S

TEXAS COMPTROLLER *of* PUBLIC ACCOUNTS

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



November 14, 2011

Dear Utility Provider:

House Bill 268, passed during the 82nd Legislature Regular Session (2011), requires that beginning Jan. 1, 2012, a person claiming an exemption from sales tax on the purchase of certain items used in the production of agricultural and timber products, including electricity, must provide a registration number issued by the Comptroller of Public Accounts on the exemption certificate issued to the seller.

The registration number will be required for billing cycles beginning on and after Jan. 1, 2012. Utility providers must either obtain a new blanket exemption certificate containing the customer's Texas Agriculture and Timber Registration Number issued by the Comptroller or collect tax. Purchasers claiming a sales tax exemption on electricity used in agriculture will need to issue the new Texas Agricultural Sales and Use Tax Exemption Certificate (Form 01-924). Purchasers claiming the exemption on electricity used in timber operations must issue the new Texas Timber Operations Sales and Use Tax Exemption Certificate (Form 01-925). Both certificates require a registration number in order to be valid. Billing cycles occurring in 2011 are covered by the old certificates.

The updated blanket exemption certificates will be good until the customer revokes the certificate in writing to the retailer or the retailer is notified that the registration number associated with the blanket exemption certificate has expired, been canceled or suspended.

Retailers may verify registration numbers through the Comptroller's online system, but verification is not required before the retailer may accept in good faith an exemption certificate displaying a registration number.

Purchasers who do not have a valid registration number at the time of purchase may not request a refund directly from the supplier after receiving the number. Retailers should not refund the sales tax collected from a purchaser who did not have the registration number at the time of purchase or assign their right to receive a refund to the customer.

Retailers may accept a refund claim from a purchaser who had a registration number at the time of purchase, but failed to provide it to the retailer when the transaction occurred. The purchaser must provide the registration number to the retailer when making the refund request. When receiving such refund requests, retailers should use the online verification system to determine whether the number provided was active when the sale was made. If the number was active, the retailer may handle the refund or provide the purchaser with an Assignment of Right to Refund (Form 00-985). If the number is invalid or was not active on the date of the sale, the retailer


should direct the purchaser to file the refund claim directly with the Comptroller's office. An Assignment of Right to Refund is not required in this situation.

Exempt organizations and manufacturers claiming exemption will continue to use the current exemption certificate (Form 01-339), and new exemption certificates are not required from those customers.

The Comptroller's office has launched an online application for the registration numbers. Agriculture and timber producers that apply online can get their numbers on the spot. For more information, and the new exemption certificates (Form 01-924 and Form 01-925) visit our website at [www.window.state.tx.us/taxinfo/agriculture](http://www.window.state.tx.us/taxinfo/agriculture).

If you have any questions, please contact us at 800-252-5555, 512-463-4600 or [tax.help@cpa.state.tx.us](mailto:tax.help@cpa.state.tx.us).

Sincerely,

A handwritten signature in black ink, reading "Bryant K. Lomax". The signature is written in a cursive style with a large, stylized initial "B".

Bryant K. Lomax  
Manager, Tax Policy Division