



## New Tax Exempt Laws in Place January 1, 2012

To verify sales and agriculture exemptions go to  
[http://www.window.state.tx.us/taxinfo/sales/tp\\_db\\_search.html](http://www.window.state.tx.us/taxinfo/sales/tp_db_search.html)

Don't shoot the messenger! Things are becoming clearer on this issue, but it's still a little bit confusing.

Under a new state law passed by the Texas Legislature in 2011, commercial agriculture or timber producers (your customers) will need an Ag/Timber Number issued by the Comptroller's office to make eligible sales tax-exempt purchases for their business beginning Jan. 1, 2012.

Click here for an introduction to the new law  
[http://www.window.state.tx.us/taxinfo/taxpubs/tx98\\_923.pdf](http://www.window.state.tx.us/taxinfo/taxpubs/tx98_923.pdf)

The link below is a guideline of what qualifies for exemption and what doesn't:  
[http://www.window.state.tx.us/taxinfo/taxpubs/tx96\\_1112.pdf](http://www.window.state.tx.us/taxinfo/taxpubs/tx96_1112.pdf)

This link has the certificate retailers must keep on file for each customer:  
<http://www.window.state.tx.us/taxinfo/taxforms/01-924.pdf>

The paper application for your customers to get a tax exemption number:  
<http://c750820.r20.cf2.rackcdn.com/ap-228.pdf>

You are responsible for verifying your customer's tax exemption number and verifying the number every two years. The mechanism for this has not been finalized. You will also be required to print the agriculture number on every invoice where the exemption is used.

This new law may cause headaches at first, but if the law follows its original intent, the law puts the responsibility of compliance on the customer not your business.

Get out in front of this now and share this information with your customers to save headaches down the road! The state's main page for information on the new law is  
[http://www.window.state.tx.us/taxinfo/agriculture/get\\_ready\\_texas.html](http://www.window.state.tx.us/taxinfo/agriculture/get_ready_texas.html)

**Your customers can also get an application via the State's Fax on Demand service (1-800-531-1441) or by mail (1-800-252-5555).**

A big **THANK YOU** to the LAT Legislative Committee for working on this issue and sharing this detailed information with the LAT Membership.