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authorizes a business to collect and remit sales taxes on taxable sales of products and services, as required by law. A resale certificate allows a business to make tax-free purchases of taxable goods they plan to resell. The resale certificate prevents goods from being taxed twice. Sellers that fail to obtain a resale certificate to validate tax-exempt sales could be held liable for the uncollected tax. State-by-state guide to sales tax permits The cost of a sales tax permit varies by state and is subject to change. How do you register for a sales tax permit? To register for a sales tax permit, you'll need to submit an online or paper application to the state tax authority (e.g., the department of revenue). It can take up to four weeks, or longer, to obtain a permit once the application has been submitted. How much do sales tax permits cost (in 2025)? The cost of a sales tax permit varies by state and is subject to change. See the chart above for more details. Is a sales tax permit the same as an EIN? No. However, you typically need to provide your Federal Employer Identification Number (EIN) to the state department of revenue when registering for a sales tax permit. Do I need a sales tax permit in every state? You'll need to obtain a sales tax permit in the states where you have sales tax nexus. There are several ways to establish sales tax nexus with a state, including but not limited to having a physical presence in a state or meeting a states economic nexus threshold. Failing to register your business as required or registering where you aren't required to register can create compliance problems and even trigger financial penalties or criminal charges.Avalara Sales Tax Registrationcan help you secure the sales tax permits you need in any or all states, including Streamlined Sales Tax states. This blog post has been updated. It was originally published in March 2019. Alabama sales tax range for 2025 Base state sales tax rate 4% *Rates are rounded to the nearest hundredth. Due to varying local sales tax rates, we strongly recommend our lookup and calculator tools on this page for the most accurate rates. Look up the current rate for a specific address using the same geolocation technology that powers theAvalara AvaTaxrate calculation engine. Tax rates can vary within a county, a city, or even a ZIP code. Using a street address helps to ensure more accurate rates and calculations when compared to relying on broader geographic indicators. *Rates are rounded to the nearest hundredth. Minimum combined sales tax rate ---% \$ Amount entered Amount entered +Total sales tax Amount entered Total amount Amount entered The Alabama (AL) state sales tax rate is currently 4%. Depending on local municipalities, the total tax rate can be as high as 11%. A business license is required if you're selling taxable items or services in Texas. However, it isn't all you'll need; the Lone Star State also requires your business to have a sales tax permit. What is it, and does your business really need it? Well, answer these and other commonly asked questions. What Is a Sales Tax Permit in Texas?The sales tax permit in Texas allows businesses to collect tax on the items and services they sell to consumers. It is also required to conduct business legally in the state. Do I Need a Texas Sales Tax Permit?The answer to the question Do I need a Texas sales tax permit? is yes if you conduct business in the state of Texas and do the following:Sell, rent or lease taxable goodsProvide taxable servicesAcquire taxable goods or services from suppliers that are out-of-state and don't hold a Texas sales tax permit Is a Texas Sales and Use Tax Permit the Same as a Resale Certificate?The Texas sales and use tax permit is not the same as a resale certificate. The tax permit allows a business to sell taxable items or services in the state. The resale certificate allows business owners to purchase products for resale without paying tax. What Is a Texas Sales and Use Tax Exemption Certification?A Texas sales and use tax exemption certificate is a document that allows items that would otherwise be subject to tax to be purchased tax-free. Who May Issue the Tax Exemption Certification?The tax exemption certificate may be issued by government, religious, educational, or public service organizations. It may also be issued by an individual who purchases an item that is deemed exempt in Chapter 151, Subchapter H of the Tax Code. How Do I Become Tax Exempt in Texas?You can become tax exempt in Texas by completing form AP-204, Texas Application for Exemption Federal and All Others. You will also need to include other items with your application, including:A copy of the IRS-issued exemption determination letterA statement showing for which organization a corporation holds titleProof that the organization is exempt from or not subject to Texas franchise tax What Are Tangible Goods?Tangible goods, also known as tangible personal property, are legally defined as personal property that one can see, weigh, measure, feel, or touch, or that is otherwise perceptible to the senses. Examples of tangible personal property include automobiles, business equipment, and furniture. Do I Have to Charge Sales Tax in Texas? You have to charge sales tax in Texas if you're selling taxable items online to Texas customers. You also have to charge sales tax if you offer services in certain industries, such as:AmusementCable and satellite televisionConstructionCredit reportingData processingDebt collectionInformationProperty repairSecurityPlease note that this is by no means a complete list. How Long Do Texas Sales Tax Permits Last?Once active, Texas sales tax permits are renewed automatically each year by the Texas State Comptroller, so there is no need for business owners to renew their permits individually. However, the tax permit is only valid if you're actively engaged in business as a seller. What Does Engaged in Business Mean?If you're doing any of the following, its considered to mean you're engaged in business in the state of Texas:Getting your receipts for the lease or rental of tangible personal property in TexasConducting business in Texas via independent contractors, agents, or employeesMaintaining or occupying places of business, including an office, distribution location, sample or salesroom, storage, or warehousePromotion of any event involving the sale of items that are taxable, including trade days and flea marketsHaving a person who operates in Texas under your authority to take orders, deliver, or sell taxable items, such as a solicitor, salesperson, canvasser, or agentAllowing licensees or franchisees to operate under your business trade name if they're required to collect Texas sales and use taxesBeing involved in the direct sales of taxable items via the use of independent salespeople What Are My Responsibilities Once I Receive My Sales Tax and Use Permit?As a business owner with a Texas sales tax and use permit, you have several responsibilities. Once you receive your permit, you must ensure that its posted at your place of business. You will also be responsible for collecting sales tax on all of your taxable sales, as well as ensuring you pay your sales and use tax on all purchases you make that are taxable.Once you have your permit, you will be responsible for both reporting your sales and use taxes and paying them on time. Finally, being a permit holder requires you to keep adequate records of the sales you make and the taxes you pay. What Do I Need to Apply for a Texas Sales and Use Tax Permit?To apply for a Texas sales tax permit, several documents will be required. For sole proprietorships, the owners Social Security Number (SSN) is required. Partnerships will require SSNs or Federal Employer Identification Numbers (FEIN) from each partner.Corporations will need to submit the corporation file number issued by the Texas Secretary of state, as well as the SSN for each officer or director. All businesses will need to have and submit their North American Industrial Classification code. How Do I Get a Sales Tax Permit in Texas?To get a sales tax permit in Texas, you will need to either apply online via the Texas Comptrollers Online Sales Tax Registration Application System or print the application from the Texas Comptrollers Sales and Use Tax Forms web page. Can My Application Be Delayed or Rejected?Yes, your application can be delayed or rejected for several reasons. Incorrectly entering information may require you to fill out another application, which can delay the delivery of your sales tax and use permit. The same is true if you leave parts of your application blank. In fact, even one missing piece of information can be enough to cause rejection or delay in the processing of your application. How Long Will It Take To Receive My Permit?If your application is complete and accurate, you can expect to wait two weeks or longer to receive your permit if you apply online or mail your printed application to the Texas Comptroller. How Do I Get a Texas Sales Tax and Use Permit Without Having to Worry About Delays or Rejections?The only way to get your Texas Sales Tax and Use permit without the worry of delays or rejections is to ensure your application is as complete and accurate as possible. However, doing so may still not be enough to ensure your application will be received on time. Is There Another Way to Eliminate the Possibility of Delays and Rejections?Yes, there is another way to eliminate the possibility of your application getting delayed or rejected. A private service is available from a company called FastFilings. They assist with filling out forms for Texas Sales Tax and Use, and other permits your business may need. How Does FastFilings Help Me Avoid Delays and Rejections, and Speed Up the Application Process?FastFilings helps you avoid delays and rejections of your Texas Sales Tax and Use Permit application by reviewing your application and documents and checking them for errors and by not ordering permits until all of the required information has been included.They help expedite the application process by ordering your permit directly through the issuing office thats nearest to you. Their 3-step process makes it easy to get your application documents reviewed and your Texas Sales Tax and Use Permit delivered fast. Top navigation skipped homeTaxesSalesFAQ Do you want to start a business in Texas and you need sales tax permit? If YES, here are 3 steps on how to get sales tax permit in Texas with ease. A sellers permit gives a business the authorization to sell products and services within the jurisdiction granting the license.Most states in the US require sellers permits, as do some local authorities, including counties and cities. This permit might also be known as a sales tax permit or sales tax license.In the United States, your need for a sellers permit depends on the laws that govern your business and location. Look to local as well as state regulations to determine whether your business needs one. But once you sell tangible goods to the public, whether wholesale or retail, you need a sellers permit.Most US states also mandate service providers (e.g., attorneys, architects, consultants) to obtain sellers permits. Even if the activities you sell are temporaryfor seasonal or holiday businessesyou may be required to have a temporary sellers permit.Is Sales Tax Permit Mandatory for All Businesses?Meanwhile, if you only deal in resale products, you may or may not need a sellers permit, although it all depends on applicable state and local laws. The primary reason government requires sellers permit is to allow them collect sales tax on business transactions.In the united states, failure to obtain a sellers permit could result in heavy penalties and fines as well as back taxes on previous sales. Additionally, the exact processes of obtaining a sellers permit differ across the states, but generally you acquire one from the government agency that regulates businesses in your state.In addition, unless you are selling products or services in a regulated industry such as health care, you dont need a sellers permit to conduct business online, but that may not be the case in your state and/or in your industry. This is one reason it is so crucial to check applicable laws to determine whether you need an online sellers permit.However, a sellers permit is needed for digital goods in Texas as the state considers electronic items to be taxable. In terms of online sales, Texas residents who sell more than two taxable items in a 12 month period and ship or deliver those items to customers in Texas must have Texas sellers permits.The website of Texass Comptroller further explains who must acquire a Texas sellers permit. To note whether you are engaged in business, the state looks at whether your business:maintains a physical place of business, such as a warehouse, distribution centre, sales room, etc., within the state,Uses a sales representative or agent who operates within the state or independent salespeople involved in direct sales of taxable items,Receives rental or lease income from a property located within the state,Promotes any event involving sales of taxable items, andOtherwise conducts business in the state through others.Although this list is not comprehensive, it covers the most common factors considered. Taxable personal property includes items such as furniture, toys, and art. Texas also mandates a sellers permit for those who provide taxable services such as data processing and insurance.In the state, even if you already had a sellers permit for another business or if your business under another owner had one, you must apply for a new sellers permit.How to Obtain a Sales Tax Permit in TexasOne of the initial things you ought to do as a new business in Texas or when doing business within the state for the first time is to obtain for a Sales and Use Tax Permit. In Texas, there is no fee charged to register for the permit; nonetheless, you may be mandated to post a bond or security. Below are the necessary steps you are expected to take to acquire your permit in Texas.Apply and Present All Required DocumentsTo apply for the permit, you or your parent/legal guardian must be at least 18 years old. Then you will be required to provide basic information about your business, such as name and address, as well as a tax identification numbereither your Social Security number (SSN) or employer identification number (EIN).If a business doesnt yet have an EIN, the Comptroller will issue a temporary one until you receive it and issue a new permit thereafter. You can register for the sales tax permit online, in person, or by mail.In Texas, the Comptroller provides a stress free online registration application for a number of tax permits. First time users will be mandated to create a profile, which you can later use to update your account, such as changing your mailing address or reporting the addition or closure of business locations.2. Ask Questions When NecessaryIf you have questions concerning the online application or if you prefer to speak to a customer representative in person, you can visit one of the states 23 Taxpayer Services and Collections field offices. Most offices are open Monday through Friday from 8 a.m. to 5 p.m. What if you choose to mail in your application?You can do that by filling out and printing the application form and mail it to the Comptroller. If you have specific questions regarding your business, taxes owed, or the application process, you can call a nearby field office or call the Comptrollers office toll free at 1 800 252 5555.3. Pick Up Your PermitYou now have a permit number and are ready to collect sales tax whenever a buyer makes a purchase from your business. This sales tax is paid to the state quarterly and is submitted along with the appropriate state tax forms.Have it in mind that once you receive your Texas sellers permit, the state expects you to display it conspicuously at your place of business and collect sales taxes on taxable sales. You must keep track of taxes collected and pay the appropriate amount of sales and use taxes to the state.ConclusionTexas was recently named one of the 10 most favourable states to do business, and the Texas Comptroller of Public Accounts is there to make doing business in Texas a breeze. However, collecting and reporting sales taxes to the government is one of the most important aspects of a business.The same way keeping your business up to date on sales taxes is a critical part of your duties as an owner. You can do it yourself, but you may do well to seek the help of an expert.

Is an ein the same as a sales tax permit. Texas tax and sales permit. Who needs a sales tax permit in texas. Ein vs sales tax permit. Do i need a sales tax permit in texas.