GUIDE

Texas sales tax, a guide for owners

Texas sales tax is 6.25% at the state level, plus up to 2% local, so 8.25% at most. You need a free sales and use tax permit before your first taxable sale, you file monthly, quarterly or yearly depending on how much you collect, and returns are due on the 20th after each period.

QUICK FACTS

- **Rate.** 6.25% state plus up to 2% local
- **Permit.** Sales and use tax permit from the Comptroller
- **Due.** The 20th of the month after each period

What is the sales tax rate in Texas?

The state rate is 6.25%. Cities, counties, transit authorities and special purpose districts can add up to 2% more, for a combined 8.25% at most. Dallas, Houston, Austin, San Antonio and Fort Worth are all at 8.25%. Use the Comptroller's rate locator for any address.

Sellers with a place of business in Texas generally charge the local rate where the sale happens from (their location). Remote sellers can choose a single local use tax rate instead of tracking every local rate.

What's taxable in Texas?

All tangible goods are taxable unless an exemption applies, like most groceries and prescription drugs. Texas also taxes more services than most states, including:

- Data processing (taxable on 80% of the charge) and information services
- Repair and remodeling of nonresidential property
- Real property services like landscaping, janitorial and pest control
- Security services
- Amusement services and some personal services

If you sell services, check yours before assuming they're exempt. Labor on new construction and on residential repair and remodeling is generally not taxable.

General information, not tax advice for your situation.

How do I get a permit?

Apply online with the Comptroller before your first taxable sale. The permit is free, though the Comptroller may ask some businesses for a security bond. You'll need your EIN or SSN, business details and an estimate of monthly taxable sales.

How often do I file?

YOU OWE ON AVERAGE	YOU FILE
$1,500 or more a month	Monthly
Less than $1,500 a month	Quarterly
Less than $1,000 a year	Yearly (if the Comptroller approves)

Returns and payment are due on the 20th of the month after the period ends. File on time and you keep a discount of 0.5% of the tax, and more if you prepay. You file a return even in periods with no sales.

Do remote sellers owe Texas sales tax?

Yes, once their Texas sales top $500,000 in the past 12 months. Marketplace providers like Amazon and Etsy collect for their sellers on marketplace sales. If you also sell into other states, see our economic nexus thresholds by state.

Common questions

What is the Texas sales tax rate?
6.25% state, plus up to 2% local, for 8.25% at most. Most major cities charge the full 8.25%.

Is a Texas sales tax permit free?
Yes. The Comptroller doesn't charge for it, though some businesses are asked for a security bond.

When is Texas sales tax due?
The 20th of the month after each filing period. If the 20th falls on a weekend or holiday, it moves to the next business day.

Are services taxable in Texas?
Many are, including data processing, landscaping, janitorial, security and repair of nonresidential property. Check your service before you start billing.

Selling in more than one state?

We check where you owe and file the returns. Book a free 30-minute call at eminenttax.com/contact or call (972) 347-4590.

eminenttax.com