

Texas Application for Exemption – Homeowners' Associations

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TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

A nonprofit corporation that is a homeowners' association should use this application to request exemption from Texas franchise tax. The homeowners' association exemption extends only to franchise tax and is applicable to franchise tax reports due on or after May 1, 1982.

To receive a state franchise tax exemption as a homeowners' association, the association must be a nonprofit corporation organized and operated primarily to obtain, manage, construct and maintain the property in or of a residential condominium or residential real estate development that is legally restricted for use as residences. The property cannot be used for any commercial activity. Additionally, the individual resident owners of the lots, residences or residential units must have at least 51% voting control of the association.

The exemption for a homeowners' association is provided for in Section 171.082, Texas Tax Code, and more detailed information is available in Franchise Tax Rule 3.583.

Texas tax law provides an exemption from sales tax on goods and services purchased for use by organizations exempt under Section 501(c)(3), (4), (8), (10) or (19), Internal Revenue Code (IRC). However, exempt organizations are required to collect tax on most of their sales of taxable items. See *Exempt Organizations*, *Sales and Purchases*, Publication 96-122.

Texas law also provides an exemption from franchise taxes for corporations exempted from the federal income tax under IRC Section 501(c)(2), (3), (4), (5), (6), (7), (8), (10), (19) or (25).

If your organization has been granted federal tax exemption under one of the qualifying sections listed above, your organization will be granted an exemption from Texas franchise tax, or sales and franchise tax, on the basis of the Internal Revenue Service (IRS) exemption, as required by state law. Organizations that qualify for state tax exemption based on the federal exemption are not exempt from hotel occupancy tax because the hotel occupancy tax law does not recognize any federal exemptions.

The laws, rules and other information about exemptions are online at www.Comptroller.Texas.Gov/taxes/exempt/.

You can submit your completed application along with required documentation by mail, fax, or email

Mail: Texas Comptroller of Public Accounts

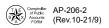
Exempt Organizations Section FAX: (512) 475-5862
P.O. Box 13528 Email: exempt.orgs@cpa.texas.gov

Austin, Texas 78711

We process applications in the order they are received. To establish claimed exemptions, we may require additional information. After review of the material, we will inform the organization in writing if it qualifies for exemption. The Comptroller, or an authorized representative of the Comptroller, may audit the records of an exempt organization at any time during regular business hours to verify the validity of the organization's exempt status.

If you have questions or need more information, contact us at 800-252-5555.

You have certain rights under Chapters 552 and 559, Government Code, to review, request and correct information we have on file about you. Contact us at the address or phone number listed on this form.



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• Do NOT write in shaded areas.

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Name, address and daytime pho	one number of person submitting	this application	
Name	ine number of person submitting	Title	
Firm or company name		Daytime phone (Area code and numb	er) Extension
Address	City	State	ZIP code
Email address			
L2. Texas taxpayer number			
3. For TEXAS corporations, filing in	nformation issued by the Secret	ary of State	
	_	·	Month Day Year
File number		_ File date	
4. Is the corporation's purpose to o of a residential condominium or			
	a copy of the page found in the ubsequent amendments, that c	Articles of Incorporation, Decla ite the purpose stated above.	ration, or
The corporation will maintain proof residences, with no commercial useresidence or units control at least 5	allowed, and will maintain prod	of that the collective resident ow	
5. Number of lots/units shown on the	ne plat map for the real estate d	evelopment	
6. Number of lots/units owned by re	esidential owners		
7. Number of Lots owned by develo	ppers, builders, banks, investors	s, or other similar commercial pa	arties
Items	6 and 7 must equal the t	otal reported in Item 5.	
7a. Provide the name of the	ne declarant identified in the org	anization's Declaration	
3. Provide a list of the owners of ea	ich lot.		
9. Does the real estate developments for a fee? (examples: golf course, a			
10. Does the Declaration provide fo If YES , identify the members of	r different classes of votes? each class identified in the dec	aration.	YES N
CLASS A:			
CLASS B:			
(List additional classe	s if necessary)		



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11. Provide the number or percentage of votes each member is entitled to and provide a copy of from the organizations' declaration.	of the voting	rights
12. Based on the information provided above, the date the individual resident owners collectively gained voting control (at least 51 percent) of the association was	Month Day	Year