

S U S A N

C O M B S

TEXAS COMPTROLLER *of* PUBLIC ACCOUNTS

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



October 27, 2010

Mr. Wes Mills
tmb.org Data Telephone Cooperative, Inc.
P. O. Box 294621
Lewisville, Texas 75029-4621

Dear Mr. Mills:

Effective May 13, 2010, tmb.org Data Telephone Cooperative, Inc. is exempt from Texas franchise tax as a telephone cooperative, and from sales and use tax and hotel occupancy tax under Chapter 162 of the Utilities Code. The organization is also exempt from the state excise tax on motor fuels.

We have assigned Texas taxpayer number 32041852073 to the organization. Please reference this number in correspondence with us. The assignment of the taxpayer number does not mean the organization is permitted to collect or remit Texas taxes. Exempt organizations must collect taxes on most of their sales. Please give our Tax Assistance section a call at (800) 252-5555 if you need a sales tax permit.

The sales tax exemption extends to goods and services purchased for use by your organization. The exemption does not apply if the purchase is for the personal benefit of an individual, or is not related to the organization's exempt purpose. For more information, please see our publication # 96-122, *Exempt Organizations – Sales and Purchases*.

A sales tax exemption certificate (form 01-339/Back) can be issued instead of paying tax when buying taxable items necessary to the exempt purpose of the organization. The exemption certificate does not need a taxpayer identification number to be valid, but you may provide your Texas Taxpayer Identification Number if the seller requests it.

Employees of the organization may issue a hotel exemption certificate (form 12-302) in the name of the organization when traveling on official business, in lieu of paying both the state and local portions of the hotel occupancy tax. When individuals or groups of individuals who are not employees of the organization travel on its behalf, in order to claim exemption from the hotel tax, the exempt organization must issue the exemption certificate and the payment must be made with the organization's funds.

The hotel may require a copy of your exemption letter or other verification, such as a printout from the Comptroller's list of exempt entities, showing the organization is exempt from hotel tax. This allows the hotel to accept the exemption certificate in good faith.

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Enclosed is an exemption certificate. Make as many copies of the exemption certificate as you need.

Cooperatives can purchase tax-free gasoline and diesel fuel in bulk for use in their motor vehicles and equipment. Cooperatives are not required to display liquefied gas tax decals on their motor vehicles equipped with a dual carburetion system. A copy of this letter can be given to your fuel vendor to document your tax-exempt status.

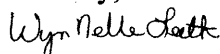
Cooperatives will continue to pay the state motor fuel taxes when purchasing gasoline and diesel fuel at retail service stations, but may obtain a refund of those taxes from the comptroller by submitting Texas Claim for Refund of Gasoline and Diesel Fuel Taxes (form 06-106). Tax refund claims must be supported with original invoices. A copy of form 06-106 may be downloaded at <http://window.state.tx.us/taxinfo/taxforms/06-forms.html>. The statute of limitations for requesting a refund of motor fuel taxes is four years from the date the tax was paid.

Changes to the organization's registered agent and registered office address must be filed with the Texas Secretary of State. The changes can be made online at <http://www.sos.state.tx.us/corp/sosda/index.shtml> or you can download the forms and instructions from http://www.sos.state.tx.us/corp/forms_option.shtml. You can also contact them at corpinfo@sos.state.tx.us or by calling (512) 463-5582. It is important to maintain current registered agent information, because this is how we will contact you if we have reason to believe that your organization no longer qualifies for exemption.

Our goal is to provide you with prompt, professional service. Please take a moment to complete our survey; enclosed and online at <http://aixtcp.cpa.state.tx.us/surveys/tpsuv2/index.html>.

If you have any questions, write to us at exempt.orgs@cpa.state.tx.us, or call us toll-free at (800) 531-5441, ext. 66922. Also, our publications, exemption certificates and other helpful information are online at <http://www.window.state.tx.us/taxinfo/exempt>.

Sincerely,



WynNelle Leeth
Exempt Organizations Section