



(11) A resale certificate may be used to purchase a taxable service, tax free if the service will be transferred as an integral part of a taxable service. For example: a seller of cable service who has a converter repaired by a third party, which converter is returned to the customer as part of the service, may purchase the repair service tax free. See §3.285 of this title (relating to Resale Certificate; Sales for Resale).

(12) A resale certificate may be used to purchase tangible personal property if the care, custody, and control of the property is transferred to the customer as a part of the cable service.

(13) Taxable purchases. Tax is due on equipment and supplies that are not transferred to the customer, but are used in providing the service. Equipment and supplies purchased out of state and brought or shipped into Texas for use in providing the service are subject to use tax. See §3.346 of this title (relating to Use Tax). Credit will be allowed against the Texas use tax for any sales or use tax legally imposed and paid to another state. See §3.340 of this title (relating to Multistate Tax Credits). For example: a seller must pay tax on the satellite receiving equipment, cables, and wiring used in providing cable television service to a customer.

(14) Real property rental. An owner of real property such as an apartment complex or hotel who provides cable television service to the residents or guests must collect sales tax on any charge attributable to the cable television service. If the owner does not charge the residents or guests for the service, the owner is the consumer of the service and must pay tax on all taxable items purchased.

(15) Local tax. The sale of cable television service takes place at the point of delivery to the consumer. Companies selling cable television service must collect tax, if adopted, for the city, county, transit authority, or special purpose district in which delivery is made to the consumer.

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