

---

## MM&E Tax Exemptions

*By Amanda Nobles*

Published: 07/12/2008 - 09:43

Manufacturing Machinery and Equipment Sales and Use Tax Exemption Leased or purchased machinery, equipment, replacement parts, and accessories that have a useful life of more than six months, and that are used or consumed in the manufacturing, processing, fabricating, or repairing of tangible personal property for ultimate sale, are exempt from state and local sales and use tax. Texas businesses are exempt from paying state sales and use tax on labor for constructing new facilities. Machinery exclusively used in processing agricultural products by the original producer is also exempt.