Sales/Use/Indirect:

Texas Comptroller of Public Accounts Adopts Changes to Local Tax Situsing Rule

Amended Title 34 Tex. Admin. Code section 3.334, Tex. Comptroller of Public Accounts (1/5/24). The Texas Comptroller of Public Accounts (Comptroller) adopted revisions to Title 34 Tex. Admin. Code section 3.334, including adding a "subsection (c)(7)" regarding the location where an order is received as follows:
URL: https://www.sos.state.tx.us/texreg/pdf/backview/0105/0105is.pdf

> "The location where the order is received by or on behalf of the seller means the physical location of a seller or third party such as an established outlet, office location, or automated order receipt system operated by or on behalf of the seller where an order is initially received by or on behalf of the seller and not where the order may be subsequently accepted, completed or fulfilled. An order is received when all of the information from the purchaser necessary to the determination whether the order can be accepted has been received by or on behalf of the seller. The location from which a product is shipped shall not be used in determining the location where the order is received by the seller."

The revisions attempt to articulate the Comptroller's interpretation of the term "received" by providing a general standard that is "applicable to all situations, as well as to automated website orders and fulfillment warehouses" and seek to "promote uniformity with those states that have elected or will elect origin-based sourcing." Litigation that may impact these changes remains pending. Please contact us with any questions.

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