

Sales/Use/Indirect:

Texas: Letter Ruling Addresses Taxability of Various Website Design, Development, and Ad Services

Letter No. 202404008L, Tex. Comptroller of Public Accounts (4/25/24). Responding to a taxpayer requesting a letter ruling related to the Texas taxability of its various website design, website development, marketing consulting, and advertising services, the Texas Comptroller of Public Accounts (Comptroller) explains that its services to design and plan, but not create, a website do not fall under the list of services subject to Texas sales and use tax. The ruling also states that its website blueprinting services are not taxable when provided on a standalone basis. However, because the creation and maintenance of a website involves the compilation, storage, and manipulation of data and meets the definition of “data processing” under state law, the taxpayer’s website development services are taxable. The Comptroller also explains that, under the provided facts, the taxpayer’s various marketing consulting and advertising services do not fall under Texas’ list of taxable services and thus are not subject to tax; however, the creation of any finished art would be considered a taxable sale of tangible personal property. Please contact us with any questions.

URL: <https://star.comptroller.texas.gov/view/202404008L?q1=202404008L>

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