

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 (eff. 7/4/24). The Texas Comptroller of Public Accounts (Comptroller) repealed its local tax *situsing* rule involving the location where an order is received that was adopted earlier this year [see *State Tax Matters*, Issue 2024-2, for details on this earlier rule adoption], and simultaneously readopted the rule's text with some amendments, including adding "subsection (c)(7)" regarding the location where an order is received as follows:

URL: <https://www.sos.state.tx.us/texreg/pdf/backview/0628/0628adop.pdf>

URL: https://dhub.deloitte.com/Newsletters/Tax/2024/STM/240112_11.html

"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 Comptroller explains that this newer version of rule has been adopted "without changes to the proposed text as published in the April 19, 2024, issue of the Texas Register" [see *State Tax Matters*, Issue 2024-17, for details on this proposal]. According to the Comptroller, the newer version of this rule expands the local tax collection obligations of remote sellers – essentially by requiring out-of-state sellers that collect state use tax to also collect applicable local sales tax. Please contact us with any questions.

URL: https://dhub.deloitte.com/Newsletters/Tax/2024/STM/240426_9.html

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