

Sales/Use/Indirect:

Texas: Letter Ruling Addresses Nexus Related to Imported Goods Stored in Bonded Area

Letter No. 202408014L, Tex. Comptroller of Public Accounts (8/29/24). The Tax Policy Division of the Texas Comptroller of Public Accounts issued a letter ruling involving a taxpayer that sell products that ultimately are imported into the United States after a series of transactions occurring in a bonded warehouse in Texas, generally concluding that:

URL: <https://star.comptroller.texas.gov/view/202408014L?q1=202408014L>

- The transactions that occur within the bonded area are not subject to Texas sales and use tax, because property imported into Texas from another country is exempt from Texas use tax as long as the property retains its character as an import;
- Any US customers of the product, rather than the taxpayer, would be liable for Texas use tax due after the imported items are removed from the bonded area of the warehouse in Texas; and
- The entities (rather than the taxpayer) that take title to the goods in the bonded area of the Texas warehouse and then sell those goods afterwards would have physical presence in Texas, and therefore they must register for and collect Texas sales and use taxes.

Please contact us with any questions.

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