

Sales/Use:

Texas: Some Administrative Rule Changes Involving Local Tax Sourcing Take Effect on October 1

202107002L, Tex. Comptroller (7/28/21). The Texas Comptroller of Public Accounts (Comptroller) explains that some provisions of its local sales and use tax sourcing rule [see *Title 24 Tex. Admin. Code section 3.334* ("Rule 3.334") for more details on this rule] will take effect on October 1, 2021, rather than as of May 31, 2020. Specifically, the Comptroller states that it has delayed implementation of two provisions "to provide taxpayers time to prepare for these changes" so that effective October 1, local tax sourcing will change as follows:

URL: <https://star.comptroller.texas.gov/view/202107002L>

URL:

[https://texreg.sos.state.tx.us/public/readtac\\$ext.TacPage?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=34&pt=1&ch=3&rl=334](https://texreg.sos.state.tx.us/public/readtac$ext.TacPage?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=34&pt=1&ch=3&rl=334)

- Orders received by salespersons while working away from their office will be sourced to the location from where the salesperson works if the location meets the definition of a place of business; and
- Orders received by a shopping website or shopping application will be sourced to the Texas customer's location unless fulfilled by the seller's Texas place of business.

According to the Comptroller, Rule 3.334:

1. Implements several provisions related to local tax collection by remote sellers and marketplace providers;
2. Clarifies the definition of a place of business; and
3. Makes clear that sales personnel must be present for a location to be considered a "place of business," and that a place of business does not include a computer server, internet protocol (IP) address, domain name, website or software application. Please contact us with any questions.

— Robin Robinson (Austin)
Senior Manager
Deloitte Tax LLP
rrobinson@deloitte.com

Chris Blackwell (Austin)
Senior Manager
Deloitte Tax LLP
cblackwell@deloitte.com

This document contains general information only and Deloitte is not, by means of this document, rendering accounting, business, financial, investment, legal, tax, or other professional advice or services. This document is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your business. Before making any decision or taking any action that may affect your business, you should consult a qualified professional advisor. Deloitte shall not be responsible for any loss sustained by any person who relies on this document.

About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee (“DTTL”), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as “Deloitte Global”) does not provide services to clients. In the United States, Deloitte refers to one or more of the US member firms of DTTL, their related entities that operate using the “Deloitte” name in the United States and their respective affiliates. Certain services may not be available to attest clients under the rules and regulations of public accounting. Please see www.deloitte.com/about to learn more about our global network of member firms.