

## Income/Franchise:

### Texas Supreme Court Accepts Review of Case on Sourcing Satellite Radio Subscription Receipts

*Order No. 20-0462*, Tex. (9/3/21). The Texas Supreme Court granted review of a Texas Court of Appeals franchise tax ruling from 2020 on sales factor sourcing [see previously issued Multistate Tax Alert for more details on this 2020 ruling], which had reversed the lower court and held in favor of the Texas Comptroller of Public Accounts that the “receipt-producing, end-product act” that allowed each customer to receive a satellite radio subscription service’s programming effectively occurred at the customer’s residence. In 2018, the lower court had allowed the taxpayer to apportion its subscription receipts for Texas franchise tax purposes based on the location where the taxpayer produced the satellite programming services [see previously issued Multistate Tax Alert for more details on this 2018 lower court ruling]. Oral argument before the Texas Supreme Court is scheduled for November 30, 2021. Please contact us with any questions.

**URL:** <https://www.txcourts.gov/supreme/orders-opinions/2021/september/september-3-2021/>

**URL:** <https://www2.deloitte.com/us/en/pages/tax/articles/texas-franchise-tax-apportionment.html?id=us:2em:3na:stm:awa:tax:091021&sfid=7015Y000003WdF9QAK>

**URL:** <https://www2.deloitte.com/us/en/pages/tax/articles/texas-district-court-apportionment-based-on-location-of-production-activities-and-fair-value-of-services-performed-in-texas.html?id=us:2em:3na:stm:awa:tax:091021&sfid=7015Y000003WdF9QAK>

— Robert Topp (Houston)  
Managing Director  
Deloitte Tax LLP  
rtopp@deloitte.com

Grace Taylor (Houston)  
Senior Manager  
Deloitte Tax LLP  
grtaylor@deloitte.com

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