

Sales/Use/Indirect:

Texas Comptroller Failed to Comply with Procedural Requirements for Local Tax Siting Rule

Cause No. D-1-GN-21-003198 and Cause No. D-1-GN21-003203, 250th Dist. Ct., Travis County, Tex. (8/10/22). Regarding ongoing litigation challenging the validity of certain destination-based siting provisions under the Texas Comptroller of Public Accounts' (Comptroller) local sales and use tax siting rule (*i.e.*, Title 34 Tex. Admin. Code section 3.334 ("34 TAC § 3.334")), a judge for the 250th Travis County Texas District Court recently issued a letter stating that the Comptroller failed to substantially comply with one or more of the procedural requirements of section 2001.024 of the Texas Government Code in adopting amendments to 34 TAC § 3.334(b)(5). As such, the judge explains that the case should be remanded to the Comptroller "for revision or readoption through established procedures within a reasonable time." The rule amendments at issue involve destination-based siting of local sales and use tax on certain remote/online sales where orders are *not* received by a salesperson, generally siting these sales to locations that are *not* places of business of the seller. Please contact us with any questions.

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)

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