

## Sales/Use/Indirect:

### Texas Comptroller of Public Accounts Clarifies Policy on Taxability of Wrapping and Packaging Supplies

*Letter No. 202208017L*, Tex. Comptroller of Public Accounts (8/8/22). Summarizing “agency policy regarding the taxability of wrapping and packaging supplies” upheld under Texas caselaw, the Texas Comptroller of Public Accounts (Comptroller) explains that Texas sellers of taxable services generally are not “manufacturers” ultimately selling tangible personal property when providing tangible personal property that is used by its customers to acquire the taxable service, and therefore, such service providers are *not* entitled to Texas’ manufacturing exemption for wrapping and packaging supplies. Additionally, the Comptroller explains that for a qualifying Texas manufacturer, only those items of wrapping and packaging that are transferred to the manufacturer’s customer qualify for exemption and that Title 34 Tex. Admin. Code section 3.314 (“Rule 3.314”) will be amended to clarify this policy. Please contact us with any questions.

**URL:** <https://star.comptroller.texas.gov/view/202208017L?q1=202208017L>

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