

## Income/Franchise:

### Texas Comptroller Adopts Revised Franchise Tax Apportionment Regulation

*Amended 34 Tex. Admin. Code § 3.591, Tex. Comptroller (3/10/23).* The Texas Comptroller of Public Accounts (Comptroller) adopted various amendments to its Texas franchise tax apportionment regulation as originally proposed earlier this year [see *State Tax Matters*, Issue 2023-4, for more details on the proposal], including revisions responsive to a recent opinion issued by the Texas Supreme Court (Court) addressing the sourcing methodology for receipts derived from satellite radio subscriptions [see previously issued Multistate Tax Alert for more details on this case]. As explained by the Comptroller, the rule amendments remove the “receipt-producing, end-product act” sourcing framework for receipts derived from services, along with related examples, and interpret the Court’s phrase “useful work for the customer” to mean “work that the customer hired the taxable entity to perform.” The revised rule became effective on March 14, 2023. Please contact us with any questions.

**URL:** <https://www.sos.state.tx.us/texreg/pdf/backview/0310/0310is.pdf>

**URL:** [https://dhub.blob.core.windows.net/dhub/Newsletters/Tax/2023/STM/230127\\_5.html](https://dhub.blob.core.windows.net/dhub/Newsletters/Tax/2023/STM/230127_5.html)

**URL:** <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/Tax/us-tax-texas-supreme-court-rules-in-taxpayers-favor-regarding-apportionment-dispute.pdf>

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