



State Tax Matters

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Amnesty/Administrative

Florida – Proposed Rule Changes Reflect New Law Revising Interest Accrual on Tax Overpayments

[Proposed Amended Rules 12-26.001, 12-26.002, 12-26.003, 12-26.004, and 12-26.008](#), Fla. Dept. of Rev. (9/30/26), [Notice of Proposed Rule](#), Fla. Dept. of Rev. (9/30/26); [Proposed Amended Rules 12-6.030 and 12-6.032](#), Fla. Dept. of Rev. (9/30/26), [Notice of Proposed Rule](#), Fla. Dept. of Rev. (9/30/26). After releasing draft rule amendments earlier this year addressing the same [see [Proposed Amended Rules 12-26.001, 12-26.002, 12-26.003, 12-26.004, and 12-26.008](#), Fla. Dept. of Rev. (8/18/26), [Notice of Rule Development](#), Fla. Dept. of Rev. (8/4/26); [Proposed Amended Rules 12-6.030 and 12-6.032](#), Fla. Dept. of Rev. (8/18/26), [Notice of Rule Development](#), Fla. Dept. of Rev. (8/4/26), and [State Tax Matters, Issue 2026-32](#) for details on the draft version of these proposed amendments], the Florida Department of Revenue (Department) is proposing amended rules reflecting legislation enacted earlier this year [see [H.B. 7031-E, signed by gov. 6/29/26](#), and [State Tax Matters, Issue 2026-28](#), for more details on this legislation], which applicable to tax refund claims filed on or after January 1, 2027, generally requires interest on tax overpayments to begin accruing on the 91st day after the Department receives a refund application and effectively removes the prerequisite for a tax refund claim to be deemed “complete” by the Department before such interest may begin to accrue. The proposed text continues to state that the Department will only grant extensions of time to request a refund conference if a taxpayer agrees to waive these new statutory interest accrual provisions. If adopted, these proposed rule changes would take effect on January 1, 2027. If requested within 21 days of the notice date, a hearing on these proposed rules potentially may be held on October 21, 2026. Please contact us with any questions.

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Rhode Island – DOR Discusses Upcoming 75-Day Amnesty Program that Offers Potential 100% Penalty Waiver and Reduced Interest

[Tax Amnesty](#), R.I. Dept. of Rev. (9/26); [Rhode Island Tax News](#), R.I. Dept. of Rev. (3rd Quarter, 2026). A Rhode Island Department of Revenue, Division of Taxation (Department) webpage discusses its upcoming tax amnesty program that will run for a 75-day period beginning on December 3, 2026 through February 15, 2027, and generally be open to eligible taxpayers owing any tax (including state corporate income and sales/use taxes) that it imposes [see [H.B. 7127, signed by gov. 6/12/26](#), and [State Tax Matters, Issue 2026-24](#), for more details on the budget legislation enacted earlier this year that authorizes this tax amnesty program]. The Department explains that pursuant to this legislation, qualifying taxpayers potentially may receive a waiver of all penalties and 25% reduced interest in exchange for participation and underlying payment of taxes due for any taxable periods ending on or before December 31, 2025. The Department also states that its webpage “will be updated with important information as the Amnesty period gets closer.” A Department newsletter further explains that Rhode Island taxpayers “with existing debt” will receive “an amnesty-specific Statement of Account (SOA) notice via postal mail in November,” and that three amnesty program due dates and amounts due will be listed on the SOA: December 15, 2026, January 15, 2027, and February 15, 2027 “to allow for interest accrual through the Amnesty period.”

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Income/Franchise

California – OTA Posts Pending Precedential Opinion that Nonresident Partners' Gain from Sale of Partnership Interest Attributable to IRC §751(a) Property Is Not California-Source Income

[2026-OTA-527P](#), Cal. Off. of Tax App. (7/24/26). In an opinion involving whether certain California nonresident individuals generated California-source income from their sales of partnership interests for amounts attributable to unrealized receivables and inventory items under Internal Revenue Code (IRC) section 751(a), the California Office of Tax Appeals (OTA) concluded that they did *not*, reversing the California Franchise Tax Board (FTB) actions in full [see [State Tax Matters, Issue 2026-30](#), for details on this OTA opinion when it was first released in July, as well as the [previously issued Multistate Tax Alert](#) for details on FTB Legal Ruling 2022-02, which largely formed the basis for the FTB's contrary "bifurcation theory" position in this OTA opinion]. The OTA concluded that neither California statutes nor accompanying regulations, nor state case law provides for the sourcing result that the FTB sought. Accordingly, the OTA declined to follow FTB Legal Ruling 2022-02, and it held that the gain attributable to IRC section 751(a) property must be sourced under Cal. Rev. & Tax Code section 17952, the general nonresident sale of intangible-property sourcing provision.

Note that the OTA has now posted this opinion as "pending precedential." Under Cal. Code. Regs., tit. 18, section 30502, that designation serves as notice to the public that the OTA is considering making the opinion precedential. Comments on whether the opinion should be designated as precedential must be submitted to the OTA within 30 days of the opinion being posted as "pending precedential," and the OTA will update the designation to "precedential" or "nonprecedential" no sooner than 35 days and no later than 60 days after posting. If the opinion ultimately is designated as "precedential," the OTA may generally look to it for guidance in future appeals involving similar facts and legal issues.

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California – OTA Posts Pending Precedential Opinion that REIT May Not Claim Both Intercompany Dividend Elimination and Dividends-Paid Deduction for Same Dividends

[2026-OTA-482P](#), Cal. Off. of Tax App. (1/27/26). In an opinion involving a real estate investment trust (REIT) that owned and operated shopping centers and received dividends from a wholly owned taxable REIT subsidiary (TRS) with which it was engaged in a unitary business and included in a California water's-edge combined reporting group, the California Office of Tax Appeals (OTA) held that while the taxpayer was entitled to eliminate the intercompany dividends from income under Cal. Rev. & Tax. Code section 25106, it could *not* simultaneously claim a dividends-paid deduction (DPD) under Internal Revenue Code (IRC) section 857(b)(2)(B) for those same dividends. In so holding, the OTA explained that Cal. Rev. & Tax. Code section 25106(a) provides that once an intercompany dividend is eliminated it may not be taken into account "in any other manner in determining the tax of any member of the unitary group," and that under Cal. Rev. & Tax. Code section 24870, the federal REIT provisions of Subchapter M apply "except as otherwise provided in this part," with "this part" referring to the entirety of the California Corporation Tax Law. The OTA stated that California does not completely conform to the federal REIT tax rules but instead subordinates the relevant REIT IRC sections where they conflict with the California Corporation Tax Law. The OTA reached this conclusion on an analysis that neither party has advanced, explaining that the function of its appeals process is to determine the correct amount of tax and that a panel may raise an issue necessary to decide an appeal regardless of whether the parties have pled it. Accordingly, the taxpayer was permitted to eliminate the qualified dividends but was required to take a California modification adding back the claimed DPD, and the California Franchise Tax Board's (FTB) notices of action were sustained on a different legal analysis than the one the FTB had advanced. The OTA also rejected the taxpayer's double taxation argument, explaining that the result followed from the taxpayer's formation of the TRS. One administrative law judge dissented, stating that i) dividend elimination under Cal. Rev. & Tax. Code section 25106 is not a deduction; ii) California fully conforms to the federal measure of the DPD under Cal. Rev. & Tax. Code section 24872; and iii) whether the DPD should be adjusted to reflect dividends from a TRS is a question for the California Legislature.

Note that the OTA has posted this opinion as "pending precedential." Under Cal. Code Regs., tit. 18, section 30502, that designation serves as notice to the public that the OTA is considering making the opinion precedential. Comments on whether the opinion should be designated as precedential must be submitted to the OTA within 30 days of the opinion being posted as "pending precedential," and the OTA will update the designation to "precedential" or "nonprecedential" no sooner than 35 days and no later than 60 days after posting. If the opinion ultimately is designated as "precedential," the OTA may generally look to it for guidance in future appeals involving similar facts and legal issues.

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District of Columbia – Enacted Permanent Legislation Decouples from Some OBBBA Provisions, Addresses PTETs and UBT, and Requires BAT Study

D.C.B. 26-0661 (Act A26-0418), effective from 10/2/26. Recently enacted permanent legislation in the District of Columbia (D.C.) known as the “Fiscal Year 2027 Budget Support Act of 2026” took effect on October 2, 2026, and pursuant to a subsection within the bill known as the “Tax Code Conformity and Clarification Amendment Act of 2026,” decouples from certain aspects of the federal One Big Beautiful Bill Act (commonly referenced as “OBBBA” and more formally as P.L. 119-21) for tax years 2025 through 2029 – including some of the OBBBA provisions pertaining to:

- the expensing of domestic research and experimental (R&D) expenditures in Internal Revenue Code (IRC) section 174A;
- IRC section 163(j)(8) on the definition of adjusted taxable income for the business interest limitation; and
- the special depreciation allowance for qualified production property under IRC section 168(n).

In doing so, this latest D.C. permanent legislation continues to decouple from the provisions under earlier enacted emergency legislation known as the “Fiscal Year 2027 Budget Support Emergency Act of 2026,” which took effect on August 13, 2026, and is scheduled to expire on November 11, 2026 [see *A26-0416 (D.C.B. 26-0724)*, enacted without mayor’s signature 8/13/26 and *State Tax Matters, Issue 2026-33*, for more details on this emergency legislation] – as well as the “D.C. Income and Franchise Tax Conformity and Revision Temporary Amendment Act of 2025,” which took effect from February 12, 2026, and expired on September 25, 2026 [see *State Tax Matters, Issue 2026-1*, for more details on this temporary legislation, as well as *State Tax Matters, Issue 2026-8*, for subsequent Congressional developments related to the temporary legislation].

Regarding the ability for D.C. residents to claim an individual income tax credit for certain taxes paid to nonresident states for mandatory or elective entity-level income taxes on pass-through entities, the permanent legislation (similar to the earlier emergency legislation) requires these individuals to add back to their federal adjusted gross income their apportioned share of any state and local tax that was paid by the pass-through entity and deducted from the individual’s federal taxable income for taxable years beginning after December 31, 2025. Additionally, the permanent legislation seeks to address some disparities pertaining to the D.C. unincorporated business tax.

The permanent legislation also requires the D.C. Chief Financial Officer to submit a report to the D.C. Mayor and D.C. Council no later than January 31, 2027, that analyzes the potential implementation of a D.C. “Business Activity Tax.”

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Florida – Proposed Rule Changes to Revise Forms Reflect Updated State Conformity to IRC, OBBBA-Related Decoupling, and Ask for Pro Forma Federal Return

Proposed Amended Rule 12C-1.051, Fla. Dept. of Rev. (9/30/26), and *Notice of Proposed Rule*, Fla. Dept. of Rev. (9/30/26). The Florida Department of Revenue is proposing amendments to a rule (“Proposed Rule 12C-1.051”) pertaining to state corporate income and franchise tax forms for taxable years beginning on or after January 1, 2026, to update the annual forms and adopt proposed revisions to forms F-1120, Florida Corporate Income/Franchise Tax Return; F-1120A, Florida Corporate Short Form Income Tax Return; F-1120N, Instructions for Corporate Income/Franchise Tax Return for taxable years beginning on or after January 1, 2026; and F-2220, Underpayment of Estimated Tax on Florida Corporate Income/Franchise Tax. These proposed amendments reflect changes pursuant to legislation enacted earlier this year [see *H.B. 7031*, signed by gov. 6/11/26, and *State Tax Matters, Issue 2026-24*, for more details on this legislation] that i) update corporate income tax statutory references in Florida to conform to the Internal Revenue Code (IRC) provisions as in effect on January 1, 2026 (previously, January 1, 2025); and ii) decouple from certain changes enacted under the federal One Big Beautiful Bill Act (commonly referenced as “OBBBA” and more formally as P.L. 119-21) [see *Tax Information Publication (TIP) No. 26C01-01*, Fla. Dept. of Rev. (7/7/26) and *State Tax Matters, Issue 2026-27*, for more details on Florida’s decoupling from OBBBA-related provisions pertaining to IRC sections 174A, 168(n), 168(k), 174(a), 163(j), 274, and 179].

Among the *proposed revisions to F-1120N, Instructions for Corporate Income/Franchise Tax Return for taxable years beginning on or after January 1, 2026*, is language stating that if a Florida taxpayer’s federal taxable income is affected by the listed OBBBA-related decoupling measures, the taxpayer must recompute its federal taxable income “for purposes of Line 1 of Florida Form F-1120.” Additionally, this proposed language to the instructions states that the taxpayer must attach to its Florida Form F-1120, the following:

- A copy of the related federal return that was filed with the Internal Revenue Service;
- A statement reconciling the amount reported on Line 1 with the taxable income shown on Line 30 of the related federal return; and
- A pro forma federal return, “which is a federal return as if the taxpayer computed federal taxable income in accordance with the definition of ‘Internal Revenue Code’ provided in the Florida Income Tax Code,” and “in the case of a consolidated subsidiary filing separately in Florida, as if the subsidiary had also filed a separate federal return.”

If requested within 21 days of the notice date, a hearing on Proposed Amended Rule 12C-1.051 potentially may be held on October 21, 2026.

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Iowa – DOR Certifies that Corporate Income Tax Rate for Tax Years Beginning in 2027 Remains the Same

[Order 2026-01](#), Iowa Dept. of Rev. (10/5/26); [News Release](#), Iowa Dept. of Rev. (10/5/26). The Iowa Department of Revenue signed an order certifying that Iowa corporate income tax rates for tax years beginning in 2027 will remain the same as corporate income tax rates for tax years beginning in 2024, 2025, and 2026. This certification is made pursuant to legislation enacted in 2022 that permits certain Iowa corporate income tax rate reductions if specified revenue goals are met [see [H.F. 2317 \(2022\)](#), and [State Tax Matters, Issue 2022-9](#) for more details on this legislation]. Please contact us with any questions.

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Michigan – Tribunal Says that While Insurance Group May File Combined Return on Remand, Underlying Tax Calculations Have Yet to be Resolved

[Docket No. 21-000039](#), Mich. Tax Trib. (9/29/26). On remand from the Michigan Court of Appeals (Appellate Court) in a case involving a unitary business group (UBG) made up of an insurance company parent and its insurance company subsidiaries that had filed amended Michigan corporate income tax (CIT) returns calculating the Michigan premiums tax, the retaliatory tax, and the Michigan automobile insurance placement facility (MAIPF) credit on a unitary combined basis [see [Case No. 364790](#), Mich. Ct. App. (6/20/24) and [State Tax Matters, Issue 2024-26](#), for more details on the 2024 Appellate Court decision in this case], the Michigan Tax Tribunal (Tribunal) held that while the UBG may file a Michigan combined return pursuant to the Appellate Court's 2024 decision on the underlying legal issue, "the case must continue for resolution of the calculation issues" and thus the Tribunal partially denied the parent's subsequent motion for summary judgment. In doing so, the Tribunal explained that neither party had ever presented "any supported argument regarding the proper calculation of the premiums tax, retaliatory tax, or MAIPF credit on a unitary combined basis," so the Appellate Court could not possibly have considered whether the parent's calculations of these amounts on its amended 2014 and 2015 Michigan unitary returns were correct. In this respect, the Tribunal is now directing the parties to address the calculation of the retaliatory tax in light of the Michigan Department of Treasury's August 11, 2026 notice [see Notice: [Calculating Premiums Tax and Retaliatory Tax Liability for a Unitary Business Group of Insurers](#), Mich. Dept. of Treasury (8/11/26) and [State Tax Matters, Issue 2026-33](#), for more details on this notice]; and the parent's use of MAIPF assessments to offset the retaliatory tax calculation of the UBG in light of Mich. Comp. Laws section 500.134(5) – noting that the parties also "are free to address any other calculation issues they identify, including, but not limited to, the composition of the UBG."

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New Jersey – Tax Court Upholds CBT Rule on P.L. 86-272 and Internet Activity but Declines to Rule on Cookie Provision

Case No. 010021-2025, N.J. Tax Ct. (10/1/26). In a published opinion involving a New Jersey corporation business tax (CBT) rule incorporating certain parts of the Multistate Tax Commission's updated P.L. 86-272 guidelines, including those involving "internet activities" [see *State Tax Matters, Issue 2025-24*, for more details about this CBT rule] – specifically N.J. Admin. Code section 18:7-1.9A(a) (4), which treats certain interactive post-sale technical support provided via the internet as an in-state business activity, and N.J. Admin. Code section 18:7-1.9A(a)(2), which addresses certain uses of internet "cookies" – the New Jersey Tax Court (Court) granted summary judgment in the New Jersey Division of Taxation's (Division) favor by dismissing a trade association's 2025 complaint challenging the CBT rule's validity as preempted by P.L. 86-272 [see *Case No. 010021-2025*, N.J. Tax Ct. (complaint filed 9/12/25) and *State Tax Matters, Issue 2025-36*, for more details on the original filed complaint]. In upholding the interactive technical support provisions in the CBT rule, the Court explained that such support (*i.e.*, out-of-state sellers providing support to in-state buyers that receive the support through an electronic chat, email, or application) constitutes an in-state business activity beyond the protections afforded by P.L. 86-272. The Court also explained that "P.L. 86-272 does not require physical presence within New Jersey" to establish an in-state business activity that exceeds its protections, and it concluded that the Division's rule correctly frames this type of interactive technical support as a business activity taking place in New Jersey. As observed in *Wayfair*, according to the Court, the internet allows out-of-state sellers to meaningfully engage in "business activities within such State" as defined by P.L. 86-272 without ever stepping foot in the jurisdiction. However, the Court declined to decide on the validity of the rule's cookie provisions "without evidence of sales of cookie data by tangible goods sellers" and their assembly for sale – commenting that i) the rule's factual description "does not technically square with the prevailing understanding" of how cookies are deployed on the internet; and ii) it "is not going to rule upon whether a regulation properly imposes taxation based upon a certain factual pattern that does not seem to be tethered to actual practice in the industry."

Note that the same trade association brought forth challenges to similar administrative guidance involving P.L. 86-272 and internet activity in other jurisdictions with varying results [see *Case No. CV-25-0865*, N.Y. App. Div., 3d Dep't (5/7/26) and *State Tax Matters, Issue 2026-18*, for more details concerning its challenge in New York State; and *Case No. CGC-22-601363*, Cal. Super. Ct. (12/13/23) and *previously issued Multistate Tax Alert* for more details concerning its challenge in California].

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Wisconsin – U.S. Supreme Court Denies Taxpayer Request to Review Decision on Scope of P.L. 86-272 Protections

[Docket No. 25A1220](#), US (cert. denied 10/5/26); [Order List](#), US (10/5/26). In a case addressing whether an out-of-state corporation that sold travel services to Wisconsin residents through at least 100 in-state independent consultants was subject to Wisconsin corporate franchise tax for the tax years at issue, the U.S. Supreme Court denied the taxpayer's request for it to review whether the protections afforded under P.L. 86-272 extend only to taxpayers that solicit sales of tangible personal property, or "is the federal law concerned with the level of in-state business activity regardless of how the taxpayer earns its income?"

In 2025, a Wisconsin Court of Appeals indicated that the taxpayer's in-state service activity was not protected by P.L. 86-272, reasoning that this federal law only extends its protections to the solicitation of sales of tangible personal property [see [Appeal No. 2023AP1251](#), Wis. Ct. App. (6/3/25) and [State Tax Matters, Issue 2025-22](#), for more details on the Wisconsin Court of Appeals' 2025 decision]. Earlier this year, the Wisconsin Supreme Court denied reviewing the Wisconsin Court of Appeals' 2025 decision [see [Case No. 2023AP1251](#), Wis. (review denied 2/12/26) and [State Tax Matters, Issue 2026-7](#), for details on the Wisconsin Supreme Court's denied review of this case]. Please contact us with any questions.

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Sales/Use/Indirect

Illinois – DOR Agrees to Postpone Effective Date of Digital Asset Tax from January 1, 2027 to July 1, 2027

[Case No. 2026-MR-271](#), Ill. Cir. Ct. (10/7/26). In a pending lawsuit [see [State Tax Matters, Issue 2026-29](#), for details on the original complaint in this suit] filed by a trade association seeking, among else, declaration that Illinois' new "Digital Asset Tax" is facially invalid under the Illinois and United States Constitutions and is preempted by the federal Internet Tax Freedom Act (ITFA), the trade association and Illinois Department of Revenue filed an agreed motion for preliminary injunction, which the presiding judge has since signed, that moves the effective date for the Illinois Digital Asset Tax from January 1, 2027, to July 1, 2027. As part of this motion, both parties stipulate that such postponement to July 1, 2027 "will permit orderly briefing and adjudication of the underlying legal questions without prejudicing any Party's rights, claims, or defenses on the merits." Pursuant to legislation enacted earlier this year [see [S.B. 3019 \(Public Act 104-0468\)](#) and [previously issued Indirect Tax Alert](#) for more details on this legislation and new tax], the Illinois Digital Asset Tax is to be imposed on the privilege of receiving digital asset business activity by a customer in Illinois and collected and remitted by "digital asset brokers."

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Indiana – DOR Adopts New Rules on Taxation of Digital Products and Computer Software

LSA Document #24-395: New Regulation section 45 IAC 2.2-4-38 and section 45 IAC 2.2-4-39, Ind. Dept. of Rev. (9/30/26). The Indiana Department of Revenue (Department) adopted new rules addressing the state sales and use tax treatment of specified digital products and prewritten computer software. According to the Department, these new rules seek to provide “certainty to businesses regarding Indiana’s treatment of sales tax” as well as “benefits to businesses and the department by minimizing the scope of disputes” [see *State Tax Matters, Issue 2026-27*, for details on the Department’s related comments when first proposed in June]. One rule provides that a person is considered a retail merchant making a retail transaction when the person electronically transfers “specified digital products” to an end user and grants the right of permanent use that is not conditioned on continued payment. The new rule states that specified digital products includes the following types of electronically transferred items: i) digital audio works, ii) digital audiovisual works, and iii) digital books, as well as defines the term “transferred electronically.” Another rule provides that the sale, rental, lease, or license of prewritten computer software delivered electronically is subject to Indiana gross retail tax, but that a transaction in which an end user purchases the right to remotely access prewritten computer software over the internet or other networks does not constitute a retail transaction. Please contact us with any questions.

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Louisiana – City of New Orleans Launches Limited-Time Sales Tax Amnesty Program Offering Potential 100% Penalty Waiver and Reduced Interest Due

News: City of New Orleans Launches Sales Tax Amnesty Program, City of New Orleans, La., Office of the Mayor (9/23/26). A recently issued City of New Orleans, Louisiana (City) news release from the Office of the Mayor announces the City’s launch of a “limited-time Sales Tax Amnesty Program, giving eligible businesses and taxpayers an opportunity to resolve delinquent tax obligations while receiving significant savings on penalties and interest.” According to the news release, starting October 1, 2026, and ending December 31, 2026, “eligible taxpayers can receive a 100% waiver of penalties and negligence fees and a 50% reduction in interest on qualifying delinquent tax balances.” The news release explains that this program applies to eligible outstanding City “sales and use taxes, hotel/motel taxes, parking taxes, alcoholic beverage gallonage taxes, occupational license taxes and certain permits;” however, “property taxes are not included in the program.” The program is available to taxpayers with qualifying delinquent obligations with the City, including those who:

- failed to file a tax return and pay the tax due;
- failed to register and/or file sales or any other type of tax, license, or permit;
- currently are under an installment agreement or have defaulted on agreement;
- underpaid tax or have any outstanding sales tax balance;
- have failed to pay for or renew a City occupational license permit;
- are under audit or in litigation for sales tax matters;
- misrepresented or omitted tax due;
- have sales tax liens on personal or business property; or
- claimed incorrect credits or deductions on tax returns.

After the program ends on December 31, 2026, the news release states that the City Bureau of Revenue “will resume enhanced efforts to identify non-filers and collect delinquent taxes.”

Please contact us with any questions.

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Texas – Comptroller Proposes Changes to Data Processing Services Rule that Exclude Online Marketplace Fees from Taxability

Proposed Amended Title 34 Tex. Admin. Code section 3.330, Tex. Comptroller of Public Accounts (10/16/26). The Texas Comptroller of Public Accounts (Comptroller) is proposing amendments to Title 34 Tex. Admin. Code section 3.330 (“Rule 3.330”) concerning data processing services that generally remove marketplace and platform fees from the definition of taxable data processing services. The Comptroller’s preamble explains that these proposed amendments are required pursuant to Rule 3.330 revisions adopted in 2025 that “included marketplace provider services in the definition of data processing services” [see *State Tax Matters, Issue 2025-12*, for details on the underlying rule changes from 2025], because “the transaction fees charged by the marketplace providers are commissions, not data processing services.” The preamble also notes that these proposed Rule 3.330 changes would become effective on the date they are adopted, and that “further refinement of the data processing services definition may be made in future amendments.” Comments on this proposal are due 30 days from the October 16, 2026 publication date in the Texas Register.

See *News Release: Comptroller Don Huffines Ends Hidden Double Tax on Texas Families and Small Businesses*, Tex. Comptroller of Public Accounts (9/30/26) and *State Tax Matters, Issue 2026-39*, for details on a related news release announcing the Comptroller’s decision to “abolish a hidden tax that hit Texans twice when they ordered food, booked a ride, or shopped online.” Please contact us with any questions.

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Texas – Comptroller Says Electronic Medical Records Charges Must be Removed from Taxable Information Services

News Release: Texas Comptroller Huffines Ends Tax on Medical Records, Tex. Comptroller of Public Accounts (10/6/26). A recently posted news release announces that Texas Comptroller of Public Accounts, Don Huffines, (Comptroller) has signed an executive order to “abolish the tax on medical records and the systems doctors use to access them.” According to the news release, this executive order “directs the agency to publish a proposed amendment to Rule 3.342, governing the taxation of information services” so that “under the updated rule, electronic health records, electronic medical records, patient portals, and other healthcare technology systems would no longer be taxed as information services or data processing services.” The news release states that this proposed rule amendment will be filed with the Texas Secretary of State and published in the Texas Register, followed by a 30 day public comment period where “Texans can submit feedback to the Comptroller’s office during that window.” Please contact us with any questions.

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