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ONESOURCE Indirect Tax

US Content August Update

Issue Date: 7 August 2026

Update No: 4

ABOUT THIS UPDATE

The August Content Update #4 for ONESOURCE Indirect Tax Determination contains updates to Cloud Content. Details related to these updates are included in the August Content Update #4 Change Report. This Change Report contains all changes to Standard Content included in the 2026.08.4.USC.G.2 file. Versions 5.8.0.0 and above are supported by this update.

CONTENT UPDATES

Product Taxability Updates

Please see the ONESOURCE Indirect Tax Product Taxability Matrix for product taxability changes included in the August Content Update #4. This document is available online at the ONESOURCE Customer Center.

Kansas

In the August Content Update #4, Kansas authority attachment changes were made to correct the tax rate applied inside the Goddard Olympic Park Star Bond District. For details on this update, please refer to the Change Report.

Indiana Motor Fuel Excise Tax and Gasoline Use Tax Suspension

In the August Content Update #3, support was included for the temporary suspension of the Indiana state sales tax and motor fuel excise tax applicable to gasoline. On 05 August 2026, Indiana Governor Mike Braun signed Executive Order (EO) 26-20, suspending the sales tax and the excise tax applicable to gasoline, effective 07 August 2026 through 05 September 2026. The suspension applies to the Indiana Gasoline Use Tax imposed under Indiana Code chapter 6-2.5-3.5 and the Indiana Motor Fuel Excise Tax levied under Indiana Code chapter 6-6-1.1-201. The suspension does not apply to any local sales or use taxes.

Kentucky

Effective 01 August 2026, the state of Kentucky made certain services taxable. Accordingly, the products Data Services (Commodity Code 811120), the Global product Data Services (Commodity Code S0N013), Pay Phone Provider Services (Commodity Code 83111503), and the Global product Pay Telephone Provider Services (Commodity Code S0N080000) are now taxable. These changes were included in the August Content Update #1.

SALES TAX HOLIDAYS

Florida has a sales tax holiday in July - August. Connecticut, Illinois, Iowa, Maryland, Massachusetts, Mississippi, Missouri, Ohio, Oklahoma, South Carolina, Texas, and Virginia have sales tax holidays in August.

Florida: 7/20/2026 - 8/20/2026

Florida is having a sales tax holiday from 20 July 2026 through 20 August 2026. The "Back-to-School" sales tax holiday applies to qualified purchases of clothing, footwear, school supplies, learning aids, jigsaw puzzles, personal computers, and certain computer-related accessories for non-business use.

EXEMPTION AMOUNT	GENERAL CATEGORY
$30.00 or less per item	Learning Aids and Jigsaw Puzzles[1]
$50.00 or less per item	School Supplies[1]
$100.00 or less per item	Clothing, Footwear, Backpacks, Diaper bags[1]
The first $1,500.00 per item	Non-Business Purchases of Personal Computers and Computer-Related Accessories[1]

[1] The exemption does not apply to sales of any eligible items within a theme park, entertainment complex, public lodging establishment or airport.

Note: The tax code of **HOLIDAY** must be included in the XML input to trigger this functionality in Florida.

Connecticut: 8/16/2026 - 8/22/2026

Connecticut is having a sales tax holiday from 16 August 2026 through 22 August 2026. The "Sales Tax Free Week" applies to qualified purchases of clothing and footwear.

EXEMPTION AMOUNT	GENERAL CATEGORY
$299.99 or less per item	Clothing and Footwear

Note: The tax code of **HOLIDAY** must be included in the XML input to trigger this functionality in Connecticut.

Illinois: 8/7/2026 - 8/16/2026

Illinois is having a sales tax holiday from 07 August 2026 through 16 August 2026. The state sales tax holiday applies to qualified purchases of certain clothing, footwear, and school-related items. Qualifying items are taxed at a reduced state rate of 1.25%. The applicable taxes for local jurisdictions are required to be collected during the holiday period.

EXEMPTION AMOUNT	GENERAL CATEGORY
$124.99 or less per item	Clothing and Footwear
Any amount	School Supplies

Note: The tax code of **HOLIDAY** must be included in the XML input to trigger this functionality in Illinois.

Iowa: 8/7/2026 - 8/8/2026

Iowa is having a sales tax holiday from 07 August 2026 through 08 August 2026. During the sales tax holiday, sales of any qualified item of clothing or footwear will be exempt from sales and use tax.

EXEMPTION AMOUNT	GENERAL CATEGORY
$99.99 or less per item	Clothing and Footwear

Note: The tax code of **HOLIDAY** must be included in the XML input to trigger this functionality in Iowa.

Maryland: 8/9/2026 - 8/15/2026

Maryland is having a sales tax holiday from 09 August 2026 through 15 August 2026. The “Shop Maryland Tax-Free Week” applies to qualified purchases of clothing, footwear, and backpacks.

EXEMPTION AMOUNT	GENERAL CATEGORY
Up to $40.00 per item	Backpacks
$100.00 or less per item	Clothing and Footwear

Note: The tax code of **HOLIDAY** must be included in the XML input to trigger this functionality in Maryland.

Massachusetts: 8/8/2026 - 8/9/2026

Massachusetts is having a sales tax holiday from 08 August 2026 through 09 August 2026. The "Sales Tax Holiday Weekend" applies to qualified non-business purchases of tangible personal property costing $2,500 or less. **New this year, Massachusetts is extending the $175 exemption threshold for qualifying clothing items to be included in the $2,500 sales tax holiday threshold. For any individual clothing items exceeding $2,500, those will only be exempted up to $175.**

Rental transactions, for thirty days or less, of tangible personal property are eligible for the sales tax holiday exemption. The rental period may include days prior to or after the holiday, providing payment in full is made during the sales tax holiday weekend.

The sales tax holiday exemption does not apply to the following:

- Service transaction types
- Motor vehicles
- Motorboats
- Telecommunications services
- Gas
- Steam
- Electricity
- Tobacco products
- Marijuana or marijuana products
- Alcoholic beverages
- Meals

EXEMPTION AMOUNT	GENERAL CATEGORY
$2,500.00 or less per item	Non-Business Purchases of Tangible Personal Property[1]

[1] The sales tax holiday applies to individuals purchasing retail items for personal use only.

Note: The tax code of **HOLIDAY** must be included in the XML input to trigger this functionality in Massachusetts.

Mississippi: 8/28/2026 - 8/30/2026

Mississippi is having a sales tax holiday from 28 August 2026 through 30 August 2026. The "Second Amendment Sales Tax Holiday" applies to qualified purchases of firearms, ammunition, and certain hunting supplies.

EXEMPTION AMOUNT	GENERAL CATEGORY
No Limit	Firearms, Ammunition, and Certain Hunting Supplies

Note: The tax code of **HOLIDAY** must be included in the XML input to trigger this functionality in Mississippi.

Missouri: 8/7/2026 - 8/9/2026

Missouri is having a sales tax holiday from 07 August 2026 through 09 August 2026. The "Back-to-School Sales Tax Holiday" applies to qualified purchases of school supplies, clothing and footwear, graphing calculators, computer software, and personal computers and peripheral devices.

EXEMPTION AMOUNT	GENERAL CATEGORY
$50.00 or less per purchase	**Non-Business** Purchases of School Supplies[1]
$100.00 or less per item	**Non-Business** Purchases of Clothing and Footwear
$150.00 or less per item	**Non-Business** Purchases of Graphing Calculators
$350.00 or less per item	**Non-Business** Purchases of Computer Software
$1,500.00 or less per item	**Non-Business** Purchases of Personal Computers and Peripheral Devices

[1] By passing the tax code HOLIDAY, you acknowledge that the items will be used as school supplies and therefore are exempt from the sales tax.

Note: The tax code of **HOLIDAY** must be included in the XML input to trigger this functionality in Missouri.

Ohio: 8/7/2026 - 8/9/2026

Ohio is having a sales tax holiday from 07 August 2026 through 09 August 2026. The sales tax holiday applies to qualified purchases of clothing, footwear, school supplies, and school instructional materials.

EXEMPTION AMOUNT	GENERAL CATEGORY
$20.00 or less per item	School Supplies and Instructional Materials
$75.00 or less per item	Clothing and Footwear

Note: The tax code of **HOLIDAY** must be included in the XML input to trigger this functionality in Ohio.

Oklahoma: 8/7/2026 - 8/9/2026

Oklahoma is having a sales tax holiday from 07 August 2026 through 09 August 2026. During the sales tax holiday, sales of any qualified item of clothing or footwear will be exempt from sales and use tax.

EXEMPTION AMOUNT	GENERAL CATEGORY
$99.99 or less per item	Clothing and Footwear

Note: The tax code of **HOLIDAY** must be included in the XML input to trigger this functionality in Oklahoma.

South Carolina: 8/7/2026 - 8/9/2026

South Carolina is having a sales tax holiday from 07 August 2026 through 09 August 2026. The sales tax holiday applies to qualified purchases of non-business clothing, footwear, school supplies, computers, printers and printer supplies, computer software, bath wash cloths, blankets, bedspreads, bed linens, sheet sets, comforter sets, bath towels, shower curtains, bath rugs, pillows, and pillowcases.

EXEMPTION AMOUNT	GENERAL CATEGORY
No Limit	**Non-Business** Purchases of Clothing and Footwear
No Limit	**Non-Business** Purchases of Computers, Printers and Printer Supplies, and Computer Software
No Limit	**Non-Business** Purchases of School Supplies[1]
No Limit	**Non-Business** Purchases of Bath Wash Cloths, Blankets, Bedspreads, Bed Linens, Sheet Sets, Comforter Sets, Bath Towels, Shower Curtains, Bath Rugs, Pillows, and Pillowcases

[1] By passing the tax code HOLIDAY, you acknowledge that the items will be used as school supplies and therefore are exempt from the sales tax.

Note: The tax code of **HOLIDAY** must be included in the XML input to trigger this functionality in South Carolina.

Texas: 8/7/2026 - 8/9/2026

Texas is having a sales tax holiday from 07 August 2026 through 09 August 2026. This "Tax-Free Weekend" applies to qualified purchases of school supplies and backpacks for use by elementary or secondary school students, as well as qualified purchases of clothing and footwear.

EXEMPTION AMOUNT	GENERAL CATEGORY
$99.99 or less per item	Clothing, Footwear, Backpacks, and School Supplies

Note: The tax code of **HOLIDAY** must be included in the XML input to trigger this functionality in Texas.

Texas Remote Sellers: In order for qualified Remote Sellers to utilize the options for the Tax-Free Weekend, qualifying items must pass the tax code of **HOLIDAY** and non-qualifying items must pass the tax code of **OUTOFSTATEOPTION**. If a single invoice has both qualifying and non-qualifying items, the related tax codes must be passed at the line-item level. Alternatively, the tax code **HOLIDAY** may be passed at the invoice level and the tax code **OUTOFSTATEOPTION** on a line-item level only for non-qualifying items.

Virginia: 8/7/2026 - 8/9/2026

Virginia is having a sales tax holiday from 07 August 2026 through 09 August 2026. The sales tax holiday applies to qualified purchases of clothing, footwear, school supplies, hurricane and emergency preparedness products, and non-business Energy Star and WaterSense products.

EXEMPTION AMOUNT	GENERAL CATEGORY
$100.00 or less per item	Clothing and Footwear
$20.00 or less per item	School Supplies
$2,500.00 or less per item	**Non-Business** Purchases of Qualified Energy Star and WaterSense Products
$350.00 or less per item	Hurricane Preparedness Supplies - Chainsaws
$1,000.00 or less per item	Hurricane Preparedness Supplies - Portable Generators, Generator Power Cords, Inverters, and Inverter Power Cables[1]
$60.00 or less per item	Hurricane Preparedness Supplies - Other Qualifying Items
$60.00 or less per item	Bottled Water
$60.00 or less per item	Chain Saw Accessories

[1]To invoke these rates, you must map them to custom products using custom rules.

Note: The tax code of **HOLIDAY** must be included in the XML input to trigger this functionality in Virginia.

GLOBAL PRODUCT GROUP

As part of our ongoing development of the Global Product Group (GPG), our GPG products will be supported with Product Category Attributes (PCA). PCAs allow clients to use an alternative commodity code reference to activate global content. GPG products may be referred to by clients either by a mapped Product Code (configured as a Standard Mapping), through a direct reference to that GPG product's commodity code, or by using the PCA commodity code. At this time, PCAs are being added only for GPG products that are directly related to an existing US Commodity Code. These PCAs will be displayed on GPG products as UNSPSC attributes.

Future releases will continue to expand our global offering by adding additional content. Please watch for release notes throughout 2026 and beyond.

Canada

We supplemented the content with taxability for food and electrical appliances across multiple Canadian authorities, effective 01 August 2026.

As GPG continues to evolve, this content is still being developed and will be expanded in upcoming releases, including additional coverage for beverages, medical supplies, oils, and hazardous products.

Mexico

We introduced taxability coverage for beverages across Mexican authorities, effective 01 August 2026.

As GPG continues to evolve, this content is still being developed and will be expanded in upcoming releases, including additional coverage for beverages, medical supplies, oils, and hazardous products.

United States

The Global Product Group is now live and available for use in all US jurisdictions. As part of our standard content review and update process, we will continue to evaluate and enhance this coverage in accordance with evolving regulatory requirements. For details on these updates, please refer to the Global Change Report.

NOTIFICATIONS

Enhancements to Standard Exempt Reasons

There are ongoing enhancements to Standard Content to update the Standard Exempt Reason on existing exempt taxability rules. These changes should have no impact on tax calculations but will facilitate better harmonization between the ONESOURCE Indirect Tax Determination and ONESOURCE Sales & Use Tax Compliance products. Additional updates will be made throughout 2026 to standardize all existing exempt taxability rules with the applicable Standard Exempt Reason.

Destination Tax Seller License

In August Content Update #1, Operating License Type Mapping (OLTM) was added to support Destination Tax collection requirements for certain motor fuel tax authorities, effective 01 October 2026. At this time, customers **should NOT leverage DSL data** prior to 01 October 2026, as this will interfere with current OLTM operations and may generate erroneous results.

Policy Update

To increase our transparency to customers regarding tax content released with short notice or at unplanned times, process improvements are being made. The following are the upcoming changes:

Scenario 1: Legislation published with a retroactive date

TAX RATES / FEES	TAXABILITY RULES
Historical tax rate/fee covering the period from the legislation effective date to last day of the month prior to the release of the subsequent content update (ex: XXCU/XXSU/XXST) Standard tax rate/fee is supported effective first of the month of the subsequent content update	To use the historical tax rate/fee, custom taxability rules will be needed Standard taxability rules will be supported effective first of the month of the subsequent content update

Scenario 2: Legislation published with a retroactive date (Content update released within 3 days of effective date of law)

TAX RATES / FEES	TAXABILITY RULES
Standard tax rate/fee is supported effective date of law	Standard taxability rules will be supported effective date of law

Scenario 3: Legislation published without a retroactive date with near or immediate effect (Content update released more than 3 days after effective date of law)

TAX RATES / FEES	TAXABILITY RULES
If the content is unlikely to have a significant impact, the standard tax rate/fee is supported effective date of law If the content is likely to have a significant impact: Historical tax rate/fee covering the period from the law effective date to last day of the month prior to the release of the subsequent content update (ex: XXCU/XXSU/XXST) Standard tax rate/fee is supported effective the date of the release for the content update	If the content is unlikely to have a significant impact, the standard taxability rules will be supported effective date of law If the content is likely to have a significant impact: To use the historical rate/fee, custom taxability rules will be needed Standard taxability rules will be supported effective the date of the release for the content update

Please note, content notices will be sent to all customers for changes of significant impact.

There were no new historical rates (example: XXCU/XXSU/XXST) added as part of the August Content Update #4.

Content Licensing

Content has been added to support the Oil and Gas upstream, midstream, and downstream process chains, and the Voice over Internet Protocol (VoIP) industry. Please refer to the change report for details on what has been added in this content update. If you wish to utilize any of this additional content for tax determination purposes, you can reach out to your Account Manager to inquire about licensing.

Oil and Gas

New content has been added to further enhance and better serve our customers in the oil and gas industry. As part of this expansion, several new products and taxabilities are being rolled out to customers in our monthly content updates. The ONESOURCE Indirect Tax Product Taxability Matrix will be populated with the individual product and state jurisdiction taxabilities as they are completed.