

ONESOURCE Indirect Tax

US Content July Update

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Update No: 1

ABOUT THIS UPDATE

The July Content Update #1 for ONESOURCE Indirect Tax Determination contains updates to US Content. Details related to these updates are included in the July Content Update #1 Change Report. This Change Report contains all changes to Standard Content included in the 2026.07.1.G.2 and 2026.07.1.USC.G.2 file. Versions 5.8.0.0 and above are supported by this update.

CONTENT UPDATES	2	GLOBAL PRODUCT GROUP	10
Product Taxability Updates	2	Canada and Mexico	10
Kansas Liquor Enforcement Tax	2	United States	10
Texas Motor Vehicles Update	2	NOTIFICATIONS	11
Alabama	2	Enhancements to Standard Exempt Reasons	11
Florida	3	Destination Tax Seller License	11
Maryland	3	Policy Update	12
Connecticut	3	Content Licensing	14
SALES TAX HOLIDAYS	4	Supplemental Product Guides	14
Mississippi	4	Oil and Gas	14
Puerto Rico	4	APPLYING THE CONTENT UPDATE	15
Alabama	5	Downloading the Update	15
West Virginia	6	Installing the Update	16
New Mexico	7		
Ohio	8		
Texas	8		
Oklahoma	9		
Maryland	9		

CONTENT UPDATES

Product Taxability Updates

Please see the ONESOURCE Indirect Tax Product Taxability Matrix for product taxability changes included in the July Content Update #1. This document is available online at the ONESOURCE Customer Center. Please note that any Oil and Gas commodities, available only in the Cloud environment, are denoted by an asterisk in column J. Similarly, any Telco commodities, available only in the Telco and Cloud environments, are denoted by an asterisk in column K.

Kansas Liquor Enforcement Tax

Effective 01 July 2026, two products have been added to the KS - STATE LIQUOR ENFORCEMENT TAX authority: Malta Drinks (502023.500) and Non-alcoholic Beer (502023.200). These products are taxable when sold by retailers licensed as Retail Liquor Stores. When sold by retailers licensed as Cereal Malt Beverage Retailers, they are taxable at the retail sales tax rate.

This update is part of our ongoing commitment to providing accurate and comprehensive content. Please refer to the latest ONESOURCE Indirect Tax Product Taxability Matrix for current support.

Texas Motor Vehicles Update

Updates have been made to the TX - STATE SALES/USE TAX and TX - STATE MOTOR VEHICLE SALES/USE TAX authorities to ensure accurate tax determination for motor vehicle transactions. Taxability has been refined to prevent overlapping tax application and to ensure that Sales and Use Tax and Motor Vehicle Tax do not trigger simultaneously.

Alabama

Effective 01 May 2026, Alabama suspended the state portion of the sales and use tax on qualifying food items through 30 June 2026. During this time, the state's grocery tax will be suspended on sales of qualifying grocery and food items, but city and county local authorities may continue to collect taxes on these items.

Florida

Effective 01 July 2026, Florida enacted legislation exempting gold and silver coins that are recognized as legal tender and meet certain purity standards from state sales and use taxes. Fla. CS/HB 999 127th Reg. Legislative Session (2025). These changes are reflected in the July Content Update #1.

Maryland

Effective 01 July 2026, Maryland enacted legislation expanding the sales and use tax exemption for precious metal bullion and coins by modifying eligibility requirements. These changes are reflected in the July Content Update #1.

Connecticut

Effective 01 July 2026, Connecticut enacted legislation modifying the tax treatment of certain product categories, including clothing, nonelectronic school supplies, and qualifying Energy Star appliances. Product taxability updates reflecting these changes will be included in a subsequent ONESOURCE Indirect Tax content release.

SALES TAX HOLIDAYS

Mississippi, Puerto Rico, Alabama, West Virginia, and New Mexico have sales tax holidays in July. Ohio, Texas, Oklahoma, and Maryland have sales tax holidays in August.

Mississippi: 7/10/2026 – 7/12/2026

Mississippi is having a sales tax holiday from 10 July 2026 through 12 July 2026. The sales tax holiday applies to qualified purchases of clothing, footwear, and school supplies.

Please note: While some content has been released, the full holiday content is not yet complete and should not be tested by customers at this time. This is anticipated to be available for testing with the release of the July Content Update #2.

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

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

Puerto Rico: 7/17/2026 - 7/18/2026

Puerto Rico is having a sales tax holiday from 17 July 2026 through 18 July 2026. During the sales tax holiday, sales of any qualified item of school supplies, school art materials, school uniforms, school music materials, school instructional materials, or computer storage media will be exempt from sales and use tax.

EXEMPTION AMOUNT	GENERAL CATEGORY
Any Amount	School Supplies, School Art Materials, School Uniforms, School Music Materials, School Instructional Materials, and Computer Storage Media

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

Alabama: 7/17/2026 - 7/19/2026

Alabama is having a sales tax holiday from 17 July 2026 through 19 July 2026. During the sales tax holiday, certain school supplies, computers, and clothing will be exempted from state sales and use tax. Local authorities have the option to fully participate, partially participate, or not participate in the holiday. If a city participates, those same products designated by the State of Alabama will also be exempted from city-level sales and use taxes. If a county participates, the same products will be exempted from county-level sales and use taxes.

This Content Update only reflects the state authority AL - STATE SALES/USE TAX and local participants as of 17 June 2026. If a jurisdiction was not included, that is because the Alabama Department of Revenue has not yet indicated whether that jurisdiction will be participating in the sales tax holiday and to what degree. ONESOURCE Indirect Tax will be including any additional participating authorities in future Content Updates once the information is made available by the Alabama Department of Revenue.

Please note: While some content has been released, the full holiday content is not yet complete and should not be tested by customers at this time. This is anticipated to be available for testing with the release of the July Content Update #2.

EXEMPTION AMOUNT	GENERAL CATEGORY
\$47.00 or less per item	Noncommercial Purchases of Books ¹
\$78.00 or less per item	Noncommercial Purchases of School Supplies, School Art Supplies, and School Instructional Materials ¹
\$156.00 or less per item	Clothing ¹
\$1,173.00 or less per item	Computers, Computer Software, and School Computer Supplies ¹

¹ The exemption does not apply if the goods are delivered or received outside the sales tax holiday. Local authorities have the option to participate, partially participate, or not participate in the holiday. This Content Update only reflects the state authority AL - STATE SALES/USE TAX and local participants as of 6/17/2026. Future updates will include other local participants as participation is confirmed.

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

West Virginia: 7/31/2026 - 8/3/2026

West Virginia is having a sales tax holiday from 31 July 2026 through 03 August 2026. During this period, state and local sales and use tax will not be collected on qualified purchases of certain items, including clothing, laptops and tablet computers, school instructional materials, school supplies, and sports equipment.

EXEMPTION AMOUNT	GENERAL CATEGORY
\$20 or less per item	Certain school instruction material
\$50 or less per item	Certain school supplies
\$125 or less per item	Certain clothing
\$150 or less per item	Certain sports equipment
\$500 or less per item	Certain laptops and tablet computers

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

New Mexico: 7/31/2026 - 8/2/2026

New Mexico is having a sales tax holiday from 31 July 2026 through 2 August 2026. The “Back-to-School Tax Free Holiday” applies to qualified purchases of clothing, footwear, accessories, computers, computer-related items, and school supplies.

EXEMPTION AMOUNT	GENERAL CATEGORY
\$99.99 or less per purchase	Clothing, Footwear and Accessories
\$99.99 or less per item	Backpacks, Maps and Globes
\$1,000.00 or less per item	Computers
\$500.00 or less per item	Computer - Related Items
\$29.99 or less per item	School Supplies and Books (for school)
\$199.99 or less per item	School Supplies - Calculators

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

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.

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.

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.

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

Maryland is having a sales tax holiday from 9 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.

GLOBAL PRODUCT GROUP

As part of our ongoing development of the Global Product Group (GPG), we created 3241 new commodities covering the categories of beverages.

In addition, 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 and Mexico

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

United States

In the Global July Content Update #1, United States taxability rules were added for the following segments:

- Building, Construction, and Maintenance Services
- Editorial, Design, Graphic, and Fine Art Services
- Education and Training Services
- Engineering and Research Services
- Environmental Services
- Farming, Fishing, and Forestry Services
- Financial Instruments, Products, Contracts, and Agreements
- Healthcare Services
- Industrial Cleaning Services
- Land, Buildings, Structures, and Thoroughfares
- Maintenance, Service, and Warranty Agreements on Tangible Personal Property

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 the May, June, and July updates, Operating License Type Mapping (OLTM) has been added to support Destination Tax collection requirements for certain motor fuel tax authorities, effective 01 October 2026. The new OLTM that has been added for AL, IN, LA, MO, NC, NM, SC, TN, and VA leverages a Destination Seller License (DSL) in addition to buyer/seller licenses in order to support export exemptions in certain rack states. 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 was 1 new historical rate (example: XXCU/XXSU/XXST) added as part of the July Content Update #1:

- KY - PIKEVILLE, CITY RESTAURANT TAX

Content Licensing

If you are a Determination **On Premise** customer, you can disregard the following:

Content has been added to support the Oil and Gas upstream, midstream, and downstream process chains, and the Voice over Internet Protocol (VoIP) industry. This content is only available in the Determination Cloud application. In addition, telecommunications content that has been historically available in Determination On Premise was added to the Determination Cloud application. 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.

Supplemental Product Guides

Effective as of the June 2025 Content Update #1, all Product Guides were consolidated. For users who subscribe to the additional Oil and Gas and/or VoIP content, please see the newest ONESOURCE Product Guide for all products and definitions. The guide was converted to MS Excel format and includes columns indicating if the product is only available in the Cloud environment or in both Telco and Cloud environments. This document is available online at the ONESOURCE Customer Center under the article name ONESOURCE Indirect Tax Product Taxability User Guide.

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.

APPLYING THE CONTENT UPDATE

This process is not required for Cloud customers. The update process has two steps:

- Downloading the Update
- Installing the Update

Downloading the Update

Use the Indirect Tax Customer Center (<https://customercenter.sabrix.com/sabrixcc/>) to download monthly Content Updates:

1. Log on to the ONESOURCE Customer Center using the username and password assigned to you by Customer Support.
2. Select the Platform onto which you will install this tax data. This is the ONESOURCE Indirect Tax Determination version you are running.
3. Select the **Currently Installed Version** of your content Sabrix US Tax Data based on your current version of Determination:
 - Determination versions 5.8.0.0 and later require 2026.06.4.G.2.
4. Click **Download** and save the file (2026.07.1.G.2) to a directory on the system hosting the ONESOURCE Indirect Tax Determination or to a networked folder that can be accessed by that system.

Installing the Update

To install the Content Update:

1. Log on to Determination.
2. Navigate to **Menu > System > Import/Export**.
3. Click the **Import** tab, and then click **Browse** to locate your file.
4. Select the content file you just downloaded, and then click **Open**.
5. Click **Import** when the pop-up appears, and then click **Next** until the import starts.

You can close the window at any time—even before the import is complete. The results of the import are displayed in the **History** tab. Remember: You must import each Content Update in the correct order (date and version).

NOTE:

If you are running Determination 5.8.0.x and have the APPLICATION_EVENT_HISTORY_ENABLED instance configuration setting set to 'Y', please refer to [Indirect Tax Help and Support](#) if you encounter import issues.