

ONESOURCE Indirect Tax

US Content July Update

Issue Date: 9 July 2026

Update No: 4 (Global)/ 5 (Cloud)

ABOUT THIS UPDATE

The July Content Update #4 (Global)/#5 (Cloud) for ONESOURCE Indirect Tax Determination contains updates to US Content. Details related to these updates are included in the July Content Update #4 (Global)/#5 (Cloud) Change Report. This Change Report contains all changes to Standard Content included in the 2026.07.5.USC.G.2 file. Versions 5.8.0.0 and above are supported by this update.

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CONTENT UPDATES

Product Taxability Updates

Please see the ONESOURCE Indirect Tax Product Taxability Matrix for product taxability changes included in the July Content Update #4 (Global)/#5 (Cloud). This document is available online at the ONESOURCE Customer Center.

Connecticut Apparel

The July Content Update #2, released to customers on 30 June 2026, contained apparel rates ("AP1") and rules, effective 01 July 2026, related to exempting purchases of apparel in Connecticut costing less than one hundred dollars. The Connecticut Legislature originally passed SB 1 with language that exempts articles of clothing or footwear costing less than one hundred dollars per item from the state's 6.35% sales and use tax. However, the finalized bill signed into law by Governor Lamont as Public Act No. 26-68 excluded the language regarding the exemption of articles of clothing or footwear.

The July Content Update #3 reinstated the previous treatment for the applicable rates and rules with an effective date of 02 July 2026.

Kansas Liquor Enforcement Tax

Effective 01 July 2026, two products are subject 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, these products are taxable at the reduced state sales tax rate. Publication KS-1223, Food Sales Tax Rate Reduction (Dept. of Rev. Jan 2023). The products were updated accordingly with the July Content Update #3.

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 was suspended on sales of qualifying grocery and food items, but city and county local authorities could 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 were 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 were reflected in the July Content Update #1.

SALES TAX HOLIDAYS

Mississippi, Puerto Rico, Alabama, West Virginia, Tennessee, New Mexico, and Florida have sales tax holidays in July. Iowa, 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.

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.

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
\$20.00 or less per item	Certain school instruction material
\$50.00 or less per item	Certain school supplies
\$125.00 or less per item	Certain clothing
\$150.00 or less per item	Certain sports equipment
\$500.00 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.

Tennessee: 7/31/2026 - 8/2/2026

Tennessee is having a sales tax holiday from 31 July 2026 through 02 August 2026. The sales tax holiday applies to qualified purchases of clothing, footwear, school supplies (including school art supplies), and non-business computers.

EXEMPTION AMOUNT	GENERAL CATEGORY
\$100.00 or less per item	Clothing, Footwear and School Supplies
\$1,500.00 or less per item	Non-Business Purchases of Computers

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

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

New Mexico is having a sales tax holiday from 31 July 2026 through 02 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.

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.

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.

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 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.

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, Mexico, and Peru

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 #2, United States taxability rules were added for the following segments:

- Management and Administrative Services
- Manufacturing and Processing Machinery, Components, and Accessories
- National Defense, Security, and Safety Services
- Personal and Domestic Services
- Politics and Civic Affairs Services
- Public Utility Services
- Resins, Rosins, Rubbers, Foams, Films, and Elastomeric Materials
- Structures, Building, Construction, and Manufacturing Components and Supplies
- Travel, Food, Lodging, and Entertainment Services

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 were no new historical rates (example: XXCU/XXSU/XXST) added as part of the July Content Update #4 (Global)/#5 (Cloud).

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.