

ONESOURCE Indirect Tax

US Content June Update (Cloud Only)

Issue Date: 10 June 2026

Update No: 5

ABOUT THIS UPDATE

The June Content Update #5 for ONESOURCE Indirect Tax Determination contains updates to Cloud Content. Details related to these updates are included in the June Content Update #5 Change Report. This Change Report contains all changes to Cloud Content included in the 2026.06.5.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 June Content Update #5. 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.

Kentucky Gasoline, Special Fuel, and Liquefied Petroleum Gas Tax Reduction Extension

This update contains changes to the statewide gas tax for Kentucky. On 09 June 2026, Kentucky Governor Andy Beshear signed Executive Order (EO) 2026-347, extending the State of Emergency and reducing the state gas tax by 10 cents (\$0.10) applicable to gasoline, diesel fuel, and other special fuels. The reduction was originally declared under EO 2026-235 and effective 11 May 2026. The 09 June 2026 EO, effective 11 June 2026, extends the reduction through 30 June 2026, but restricts the reduction to the following local jurisdictions (not statewide):

City of Alexandria
City of Ashland
City of Campton
City of Carrsville
City of Clay City
City of Covington
City of Drakesboro
City of Earlington
City of Eminence
City of Falmouth
City of Gamaliel
City of Glencoe
City of Island
City of Jenkins
City of London
City of McHenry
City of Oak Grove

City of Owensboro
City of Owingsville
City of Paintsville
City of Park City
City of Sebree
City of Smithfield
City of Smiths Grove
City of West Point
City of Whitesville
City of Winchester
Louisville Jefferson County Metro Government
Carter County
Graves County
Magoffin County
Morgan County
Wolfe County

For jurisdictions not included in the extension, the reduced rate expires on 10 June 2026, and the standard tax rate resumes on 11 June 2026. The reduction applies to the Kentucky Gasoline and Special Fuel Tax imposed under KRS 138.220 on gasoline and special fuels, and the Kentucky Liquefied Petroleum Gas Tax imposed under KRS 234.320 on liquefied petroleum gas. The reduction does not apply to any local sales or use taxes.

New Products

Effective 01 June 2026, the product Data Migration Services (Commodity Code 81112001) has been added to standard content.

This new content is a result of the ongoing effort to provide our customers with the most accurate and comprehensive content. Please refer to the latest ONESOURCE Indirect Tax Product Taxability Matrix for what is currently supported.

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.

Maryland Bracket Tax Authority

Enhancements have been made to the design of the MD - STATE (BRACKET) SALES/USE TAX authority to improve the accuracy of tax calculations. These updates include revisions to the bracket rate structure to better align the calculated tax with expected outcomes. These changes were included in the June Content Update #1.

Alabama Sales Tax Holiday

During the processing of the June Content Update #3, we continued our work on the Alabama Back-to-School Sales Tax Holiday taking place 17 July 2026 through 19 July 2026. While some content has been released, the holiday content is not yet complete and should not be tested by customers at this time. Additional updates are planned for release in the July Content Update #1, scheduled for release to customers before the holiday begins on 24 June 2026.

SALES TAX HOLIDAYS

Alabama and West Virginia have sales tax holidays in July. Ohio and Texas have sales tax holidays in August.

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 12 May 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 5/12/2026. 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.

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Content Updates are necessary to keep your Determination up-to-date with the latest tax rules and rates, and to ensure correct tax calculations. For complete information about downloading and installing updates, refer to the Online Help for ONESOURCE Indirect Tax Determination.

For more assistance, use our online resources or contact Customer Support by opening a support request through the ONESOURCE Customer Center, or call us at 1-800-327-8829 Option 3,9,3.

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.

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.

GLOBAL PRODUCT GROUP

As part of our ongoing development of the Global Product Group (GPG), we created 5,354 new commodities covering the categories of beverages and lighting fixtures.

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

We implemented Global rules across multiple Canadian provinces in compliance with environmental fee stewardship requirements to incorporate new conditions:

- display sizes of 65 inches and more for electronic devices with integrated or external displays,
- larger volumes for liquid paints and primers, and
- characteristics of lighting fixtures, including length, removability, and lamp count.

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.

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 June Content Update #3, taxability rules were added for alcoholic and non-alcoholic beverages in Kansas. In the Global June Content Update #2, United States taxability rules were added for the following segments:

- Construction Machinery and Accessories
- Domestic Appliances and Consumer Electronic Products
- Drugs and Pharmaceutical Products
- Farming, Fishing, Forestry, and Wildlife Machinery and Accessories
- Financial and Insurance Services
- Fuels, Additives, Lubes, and Utilities
- Industrial Production and Manufacturing Services
- Manufacturing Equipment and Materials
- Material Handling Machinery and Supplies
- Minerals, Textiles, and Inedible Plants and Animal Materials
- Miscellaneous Services
- Power Generation and Distribution Machinery and Accessories
- Printing, Photographic, Audio-Visual (AV) Equipment and Supplies
- Service Industry Machinery, Equipment, and Supplies
- Transportation, Storage, and Mail Services
- Vehicles, Accessories, and Components

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 and June 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 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)	To use the historical tax rate/fee, custom taxability rules will be needed
Standard tax rate/fee is supported effective first of the month of the subsequent content update	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 June Content Update #5.

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. As this is a Cloud Only Content Update, no action is required from Determination On Premise customers.