

ONESOURCE Indirect Tax

US Content January Update

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Update No: 1

ABOUT THIS UPDATE

The January Content Update #1 for ONESOURCE Indirect Tax Determination contains updates to US Content. Details related to these updates are included in the January Content Update #1 Change Report. This Change Report contains all changes to Standard Content included in the 2026.01.1.G.2 and 2026.01.1.USC.G.2 files. Versions 5.8.0.0 and above are supported by this update.

CONTENT UPDATES	2
Product Taxability Updates	2
California	2
Illinois	4
Maine	4
Michigan	4
Texas	5
Utah	5
Sales Tax Holidays	6
Minnesota	6
GLOBAL PRODUCT GROUP	7

NOTIFICATIONS	8
Enhancements to Standard Exempt Reasons	8
Policy Update	8
Content Licensing	10
Supplemental Product Guides	10
Oil and Gas	10
APPLYING THE CONTENT UPDATE	11
Downloading the Update	11
Installing the Update	12

CONTENT UPDATES

Product Taxability Updates

Please see the ONESOURCE Indirect Tax Product Taxability Matrix for product taxability changes included in the January 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.

California

Effective 01 January 2026, California will begin charging a Covered Battery-Embedded Waste Recycling Fee on the purchase of new or refurbished covered electronic products that contain batteries not designed to be easily removed. See California Public Resources Code § 42464 for additional information. The December Content Update #1 included the following new authority:

- CA - STATE (BATTERY-EMBEDDED WASTE) FEES

This content is shipped to customers turned off and must be turned on in the Authority Options to use this content. This is done by editing the Authority Option, Turn Off Authority, changing the value from YES to NO to enable the authority.

The authority includes catch-all rules that can be triggered with an End Use Qualifier of **BEWRF1**, giving customers flexibility to apply the fee to any applicable products as needed. In addition, the authority includes rules applying the fee to the following products:

- Baby Monitor - with Embedded Battery (Commodity Code 52161500.110)
- Digital Image Printers - with Embedded Battery (Commodity Code 43212114.100)
- Digital radio - with Embedded Battery (Commodity Code 52161563.100)
- Digital voice recorders - with Embedded Battery (Commodity Code 52161535.100)
- Domestic electric razors - with Embedded Battery (Commodity Code 52141704.100)
- Domestic electric toothbrushes - with Embedded Battery (Commodity Code 52141701.100)
- Domestic Mixers - with Embedded Battery (Commodity Code 52141520.100)
- Earphone - with Embedded Battery (Commodity Code 52161554.100)
- Electric bicycles - with Embedded Battery (Commodity Code 251018.210)
- Electric Hair Clipper - with Embedded Battery (Commodity Code 53131643.100)
- Electric Scooters - with Embedded Battery (Commodity Code 251018.310)

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- Global Positioning System GPS Receiver - with Embedded Battery (Commodity Code 52161518.100)
- Hand Held Massaging Unit - with Embedded Battery (Commodity Code 53131701.100)
- Headphones - with Embedded Battery (Commodity Code 52161514.100)
- Interactive or Electronic Math Books or Toys - with Embedded Battery (Commodity Code 601024.110)
- Interactive or Electronic Reading Books or Toys - with Embedded Battery (Commodity Code 601023.110)
- Megaphones - with Embedded Battery (Commodity Code 52161533.100)
- MP3 Players or Recorders - with Embedded Battery (Commodity Code 52161543.100)
- Mp4 player or recorder - with Embedded Battery (Commodity Code 52161561.100)
- Notebook Computers with Display 4 in or under - with Embedded Battery (Commodity Code 43211503.300)
- Personal Computers with Display 4 in or under - with Embedded Battery (Commodity Code 43211508.400)
- Personal Digital Assistant PDAs or Organizers (Commodity Code 43211504)
- Portable computer gaming console - Display 4 in or under - with Embedded Battery (Commodity Code 52161558.200)
- Portable Power Banks (Commodity Code 261117.200)
- Portable Shop Lights - with Embedded Battery (Commodity Code 39112009.100)
- Portable video multimedia combined set - Display 4 in or under - with Embedded Battery (Commodity Code 52161555.300)
- Remote Control - with Embedded Battery (Commodity Code 52161525.100)
- Scientific calculator - with Embedded Battery (Commodity Code 44101808.100)
- Sexual Enhancement Devices - with Embedded Battery (Commodity Code 531316.210)
- Solar lamps - with Embedded Battery (Commodity Code 39101603.100)
- Stud finders - with Embedded Battery (Commodity Code 27111810.100)
- Tablet Computers with Display 4 in or under - with Embedded Battery (Commodity Code 43211509.200)
- Vacuum cleaners - with Embedded Battery (Commodity Code 47121602.100)
- Wearable Computing Devices (Commodity Code 43211511)
- Wearable device (Commodity Code 492015.100)
- Wet or dry combination vacuum cleaners - with Embedded Battery (Commodity Code 47121604.100)
- Wireless microphone and instrument amplification system - with Embedded Battery (Commodity Code 52161551.100)
- Wrist Watches - with Embedded Battery (Commodity Code 54111501.100)

In the December Content Update #2, the following new products were added to content with the fee applied:

- Flashlight - with Embedded Battery (Commodity Code 39111610.200)
- Internet Enabled Gaming Consoles - with Embedded Battery (Commodity Code 81112100303.200)
- LED Flashlight - with Embedded Battery (Commodity Code 39111610.110)

Illinois

Effective 01 January 2026, the state of Illinois will eliminate the one percent (1%) sales and use tax on grocery sales. This change in law also authorizes municipalities and counties to impose a local grocery tax rate of exactly one percent (1%) by ordinance. See Public Act 103-0781. For a municipal or county grocery tax to take effect on 01 January 2026, the municipality or county must have filed the ordinance with the Illinois Department of Revenue (IDOR) by 01 October 2025, and the ordinance must be approved by IDOR. "Groceries" authorized to be taxed at the one percent (1%) rate by municipalities and counties beginning 01 January 2026, are identical to the "qualifying food" items currently taxed under the State's one percent (1%) rate that is eliminated after 31 December 2025. Items such as alcoholic beverages, soft drinks, candy, and food that has been prepared for immediate consumption are not "groceries" and will continue to be taxed at general merchandise rates. These changes are reflected in the January Content Update #1.

Maine

Effective 01 January 2026, Maine will repeal its Service Provider Tax and begin taxing telecommunications services under the general sales and use tax rate. Further, the state will extend sales and use tax to streaming services. These changes are reflected in the January Content Update #1.

Also effective 01 January 2026, Maine will exempt sales of durable medical equipment and mobility enhancing equipment for home use, as well as breast pumps and breast pump kits from the sales and use tax. These changes are reflected in the January Content Update #1.

Michigan

Effective 01 January 2026, Michigan will exempt the sale, use, storage, or consumption of "eligible fuel" from sales and use tax. In addition, the prepaid sales tax on those fuels will no

longer be required, also effective 01 January 2026. These changes are reflected in the January Content Update #1.

Texas

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

Starting with the November Content Update #2, we announced that effective 01 January 2026, Texas authority logic will be updated to ensure accurate calculation and collection of local taxes in locations where multiple Special Purpose Districts (SPDs) and/or Metropolitan Transit Authorities (MTAs) apply. This enhancement aligns with Tex. Admin. Code 3.334(c)(5), which states that "if the sale of a taxable item is consummated at a location within the boundaries of multiple special purpose districts or transit authorities, local sales tax is owed to each of the jurisdictions in effect at that location." This change will be automatically applied and reflected in your tax calculations beginning 01 January 2026. No action is required from the customer to trigger this enhancement.

This has now been updated in ONESOURCE Indirect Tax Cloud Enterprise only beginning in the January 2026 Content Update #1.

Utah

Effective 01 January 2026, the state of Utah will begin applying the restaurant tax on customized prepared foods to sales by grocery stores, convenience stores, and gas stations. The tax will apply to prepared foods served heated for on-site or immediate consumption. These changes are included in the January Content Update #1.

Sales Tax Holidays

Puerto Rico has a sales tax holiday in January.

JURISDICTION	EFFECTIVE DATE	EXEMPTION AMOUNT	GENERAL CATEGORY
Puerto Rico	01/02/2026 - 01/03/2026	Any Amount	School Supplies, School Art Materials, School Uniforms, School Music Materials, and School Instructional Materials

Puerto Rico

Puerto Rico will have a sales tax holiday from 02 January 2026 through 03 January 2026. During the sales tax holiday, sales of any qualified item of school supplies, school art materials, school uniforms, school music materials, or school instructional materials will be exempt from sales and use tax.

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

Minnesota

In the October 2024 Content Update #1, a rule for the MN - STATE RETAIL DELIVERY FEE authority was introduced with the Invoice Level Charge option enabled. However, further engine enhancements are required for this feature, so the rule for this authority has been reverted to its prior configuration, with the Invoice Level Charge option disabled. Once the necessary engine enhancements are implemented, the rule will be updated accordingly.

GLOBAL PRODUCT GROUP

ONESOURCE Indirect Tax Determination is excited to announce the creation of a new Global Product Group (GPG). This enhancement will allow customers to use a single commodity code—or a single product mapping—regardless of geography, anywhere in the world.

Beginning in the January 2026 Content Update #1, customers will begin seeing additional content to support the Global Product Group. This initial release includes more than 44,000 new products, with a focus on customer needs in the United States, Canada, and Mexico.

Please note that these products will not be visible in the ONESOURCE Indirect Tax Determination Cloud application until the 2026.1 release, scheduled to go live in the production environment on 04 February 2026. In addition, these GPG products will not be available for use in transactional tax determination requests until standard content for the Global Product Group is released. Taxability for the GPG products is still in process and will be included in future upcoming releases.

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

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 2025 and 2026 to standardize all existing exempt taxability rules with the applicable Standard Exempt Reason.

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

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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 5 new historical rates (example: XXCU/XXSU/XXST) added as part of the January Content Update #1.

- AL - BEATRICE, CITY RENTAL TAX
- AL - BEATRICE POLICE JURISDICTION, CITY RENTAL TAX
- AL - WESTOVER POLICE JURISDICTION, CITY RENTAL TAX
- IL - ARLINGTON HEIGHTS, CITY AMUSEMENT TAX
- MO - CABOOL, CITY SALES/USE 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 2025.12.2.G.2.
4. Click **Download** and save the file (2026.01.1.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.