



This Week in State Tax (TWIST)

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Texas: Comptroller rules on local sourcing of sales by ready-mix plants

The Texas Comptroller of Public Accounts issued a private letter ruling to cement a taxpayer's understanding of the definition of a "ready-mix concrete contractor" and its interplay with Texas sales tax sourcing rules. Texas defines "ready-mix concrete contractors" to be contractors who "produce, pour, and spread concrete at job sites for the slabs and floors of a building and the parking lots surrounding the building." The taxpayer requesting the PLR stated that it produces ready-mix concrete but does not incorporate the concrete into real property. The absence of this activity means the taxpayer does not have a strong foundation on which to claim to be a "ready-mix concrete contractor."

This definitional difference is also determinative for sourcing the taxpayer's sales. Ready-mix concrete contractors source their sales to the job sites at which the concrete is incorporated into real property. In the case of the taxpayer, because it only produces and sells the concrete, the sales must be sourced to the "place of business" at which the order is fulfilled. The taxpayer operated three plants that qualified as a "place of business." All sales should be sourced to the plant at which the order was fulfilled, and the corresponding local sales tax will apply at such locations. For further concrete information on [Private Letter Ruling PLR20250328150753](#), please contact [Karey Barton](#).

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