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The Fighting Over Online Sales Taxes Isn't Finished.

Deals worked out between local governments and companies before the Supreme Court cleared the way for taxing e-commerce are drawing increased scrutiny. If the agreements fall apart, it could blow a hole in some city budgets.

Welcome back to Route Fifty's Public Finance Update! I'm Liz Farmer and this week I'm writing about sales taxes. More than four years after the U.S. Supreme Court issued its landmark decision clearing the way for states to collect taxes from online sales, there are still issues to work out. In this newsletter, I'll explain one of them, which involves longstanding sales tax incentives, rule changes for remote sales and, in Texas and elsewhere, has pit cities against states.

Located in Central Texas just outside of Austin, the suburb of Round Rock is in the heart of one of the country's fastest-growing regions. It's home to major employers, like Amazon and UPS. Dell Technologies has been headquartered there since the mid-1990s. The sales taxes collected from those companies and others help pay for servicing the city's rapid growth.

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