

Some Pending Sales Tax Cases

- ***Southwest Royalties, Inc. v. Hegar***, Tex. S. Ct. No. 14-0743
 - 09/06/2016 Petitioner’s Motion for Rehearing
 - Manufacturing exemption for pollution control devices
- ***Fitness International, LLC v. Hegar***, Tex. S. Ct. No. 16-0482
 - 08/31/2016 Petition for Review
 - Sale for resale exemption on stationary gym equipment
- ***Anatole Partners III, Inc. v. Hegar***,
Travis Co. Dist. Ct. No. D-1-GN-15-001398
 - 08/31/2016 Summary Judgment Hearing
 - Sale for resale exemption for hotel amenities

Anatole Partners III v. Hegar – Sale for Resale Exemption

If –
Sale for resale



guestsupply
a Sysco company



Hilton Anatole
DALLAS

Then –
Is sales tax due on resale?



1. The sale for resale exemption inherently requires a resale.
2. A resale is inherently a sale -- a transfer of a taxable item for consideration.
3. If there is a sale of a taxable item, sales tax is due on the consideration unless an exemption applies.

Some Pending Franchise Tax Cases

- ***Graphic Packaging v. Hegar***, Tex. S. Ct. No. 15-0669
 - 09/30/2016 Petitioner’s Brief on the Merits
 - Can taxpayer use MTC three factor allocation?
- ***American Multi-Cinema, Inc. v. Hegar***,
Austin Ct. App. No. 03-14-00397-CV
 - 01/19/2016 State’s Reply in Support of State’s MRH
 - Do movie theaters get COGS?
- ***Sirius XM Radio, Inc. v. Hegar***,
Travis Co. Dist. Ct. No. D-1-GN-16-000739
 - Discovery in progress
 - Apportionment, COGS, flow-through funds mandated by law

Sirius XM Radio, Inc. v. Hegar – Cost of Goods Sold

- **Sirius produces TPP (radio programs) but does it sell TPP?**

