



This Week in State Tax (TWIST)

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Texas: Weather Forecasting Service Not Taxable

The Texas Comptroller recently ruled that a web-based weather forecasting service was not a taxable information service. The taxpayer's service included location-specific forecasts, severe weather alerts, and on-demand email and phone access to meteorologists. To provide its service, the taxpayer purchased third-party meteorological data and employed in-house meteorologists to create forecasting models. The taxpayer's clients included retailers, refineries, oil rigs, and technology firms that utilized the taxpayer's forecasts when determining whether to perform shutdown or emergency operations. In Texas, information services are subject to tax and are defined as "furnishing general or specialized news or other current information, including financial information." An exclusion is provided, however, for the "sale of information primarily derived from laboratory, medical, or exploratory testing or experimentation or any similar method of direct scientific observation of physical phenomena." Examples include geophysical survey information, polygraph tests, and medical test results. In response to a letter ruling request, the Comptroller found that the taxpayer primarily derived its service from the direct scientific observation of physical phenomena, meaning the information service was not subject to tax. Please contact [Sarah Vergel de Dios](#) with questions on Private Letter Ruling No. PLR20210503122657.



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