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To: Texas Workers' Compensation System Participants

From: Joseph McElrath, Deputy Commissioner for Business Process

Date: November 10, 2022

RE: Designated Doctor Exams – Update on Comptroller Notification of Sales Tax Applicability

On October 20, 2022, the Texas Comptroller of Public Accounts (Comptroller) issued Private Letter Ruling No. PLR20220516113922 (STAR Accession No. 202210014L). The ruling states that charges for designated doctor exams performed under Texas Labor Code Section 408.0041 are subject to Texas sales and use tax under Texas Tax Code Sections 151.010, 151.0101(a)(9), and 151.051; and 34 Texas Administrative Code Section 3.355(b).

On November 10, 2022, the Comptroller issued a memo delaying implementation of the guidance provided in that private letter ruling until after the 2023 legislative session to allow the Texas Department of Insurance, Division of Workers' Compensation and workers' compensation system participants time to seek a legislative change. **The memo also states that designated doctors are not required to collect tax on charges for exams at this time.**

A copy of the memo is available at www.tdi.texas.gov/wc/dd/index.html.

If you have questions about the ruling or the memo, email the Comptroller through their website at comptroller.texas.gov/web-forms/tax-help/ and reference Private Letter Ruling No. PLR20220516113922 or STAR Accession No. 202210014L.

For questions or other information, contact CompConnection for health care providers at CompConnection@tdi.texas.gov.