

Chapter 475

S.B. No. 904

AN ACT

relating to exempting emergency preparation supplies from the sales and use tax for a limited period.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter H, Chapter 151, Tax Code, is amended by adding Section 151.3565 to read as follows:

Sec. 151.3565. EMERGENCY PREPARATION SUPPLIES FOR LIMITED PERIOD. (a) The sale of an emergency preparation item is exempted from the taxes imposed by this chapter if the sale takes place during a period beginning at 12:01 a.m. on the Saturday before the last Monday in April and ending at 12 midnight on the last Monday in April.

(b) For purposes of this section, "emergency preparation item" means:

(1) a portable generator used to provide light or communications or to preserve perishable food in the event of a power outage, the sales price of which is less than \$3,000;

(2) an item listed in this subdivision, the sales price of which is less than \$300:

(A) a storm protection device manufactured, rated, and marketed specifically to prevent damage to a glazed or non-glazed opening during a storm; or

(B) an emergency or rescue ladder; or

(3) an item listed in this subdivision, the sales

price of which is less than \$75:

(A) a reusable or artificial ice product;

(B) a portable, self-powered light source;

(C) a gasoline or diesel fuel container;

(D) a AAA cell, AA cell, C cell, D cell, 6 volt, or 9 volt battery, or a package containing more than one battery, other than an automobile or boat battery;

(E) a nonelectric cooler or ice chest for food storage;

(F) a tarpaulin or other flexible waterproof sheeting;

(G) a ground anchor system or tie-down kit;

(H) a mobile telephone battery or battery charger;

(I) a portable self-powered radio, including a two-way radio or weatherband radio;

(J) a fire extinguisher, smoke detector, or carbon monoxide detector;

(K) a hatchet or axe;

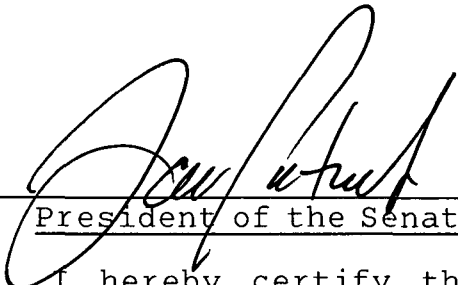
(L) a self-contained first aid kit; or

(M) a nonelectric can opener.

SECTION 2. The change in law made by this Act does not affect taxes imposed before the effective date of this Act, and the law in effect before the effective date of this Act is continued in effect for purposes of the liability for and collection of those taxes.


SECTION 3. This Act takes effect September 1, 2015.

S.B. No. 904

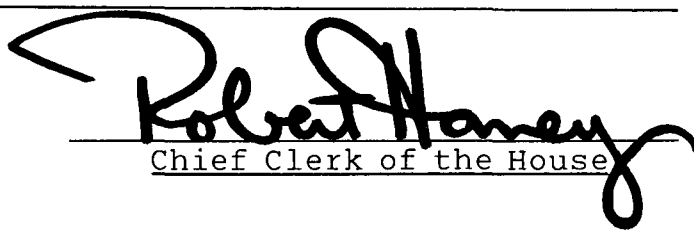

President of the Senate


Speaker of the House

I hereby certify that S.B. No. 904 passed the Senate on May 4, 2015, by the following vote: Yeas 26, Nays 5.

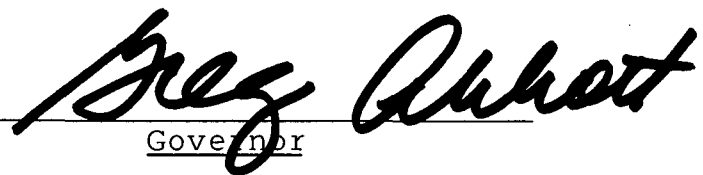

Secretary of the Senate

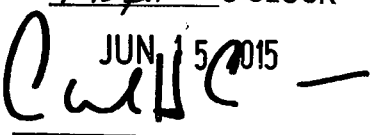
I hereby certify that S.B. No. 904 passed the House on May 21, 2015, by the following vote: Yeas 126, Nays 17, three present not voting.


Chief Clerk of the House

Approved:

6 - 11 - 2015
Date


Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
9:15 p.m. O'CLOCK
JUN 15 2015

Secretary of State

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 8, 2015

TO: Honorable Dennis Bonnen, Chair, House Committee on Ways & Means

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB904 by Hinojosa (Relating to exempting emergency preparation supplies from the sales and use tax for a limited period.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for SB904, As Engrossed: a negative impact of (\$2,250,000) through the biennium ending August 31, 2017.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2016	(\$1,100,000)
2017	(\$1,150,000)
2018	(\$1,200,000)
2019	(\$1,250,000)
2020	(\$1,300,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue (Loss) from General Revenue Fund 1	Probable Revenue (Loss) from Cities	Probable Revenue (Loss) from Transit Authorities	Probable Revenue (Loss) from Counties and Special Districts
2016	(\$1,100,000)	(\$200,000)	(\$70,000)	(\$40,000)
2017	(\$1,150,000)	(\$210,000)	(\$70,000)	(\$40,000)
2018	(\$1,200,000)	(\$220,000)	(\$80,000)	(\$40,000)
2019	(\$1,250,000)	(\$230,000)	(\$80,000)	(\$40,000)
2020	(\$1,300,000)	(\$240,000)	(\$80,000)	(\$40,000)

Fiscal Analysis

The bill would amend Chapter 151 of the Tax Code, regarding the limited sales, excise and use tax.

The bill would add new Section 151.3565 to exempt an emergency preparation item from the limited sales, excise, and use tax if the sale takes place during a period of time beginning at 12:01 am on the Saturday before the last Monday in April and ending at 12 midnight on the last Monday

in April.

The bill would define an emergency preparation item for the purposes of this bill to mean: a portable generator the sales price of which is less than \$3,000; certain storm protection devices or an emergency or rescue ladder the sales price of which is less than \$300; and, if the sales price is less than \$75, a reusable or artificial ice product, a portable self powered light source, a gasoline or fuel container, specified batteries, a nonelectric cooler or ice chest, a tarpaulin or other flexible waterproof sheeting, a ground anchor system or tie-down kit, a mobile telephone battery or battery charger, a portable self powered radio, a fire extinguisher, smoke detector or carbon monoxide detector, a hatchet or axe, a self contained first aid kit, or a nonelectric can opener.

The bill would take effect September 1, 2015.

Methodology

The estimate is based on the assumption that one percent of Texas households would make eligible purchases during the tax free period at an average per household expenditure of \$200, then extrapolated through 2020 in view of inflation and growth in the number of households.

Local Government Impact

There would be a proportional loss of sales and use tax revenue from local taxing jurisdictions.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: UP, KK, SD

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 20, 2015

TO: Honorable Jane Nelson, Chair, Senate Committee on Finance

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB904 by Hinojosa (Relating to exempting emergency preparation supplies from the sales and use tax for a limited period.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB904, As Introduced: a negative impact of (\$2,250,000) through the biennium ending August 31, 2017.

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Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: UP, KK, SD

LEGISLATIVE BUDGET BOARD
Austin, Texas

TAX/FEE EQUITY NOTE

84TH LEGISLATIVE REGULAR SESSION

May 11, 2015

TO: Honorable Dennis Bonnen, Chair, House Committee on Ways & Means

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB904 by Hinojosa (Relating to exempting emergency preparation supplies from the sales and use tax for a limited period.), **As Engrossed**

No statistically significant impact on the overall distribution of a state tax or fee burden among individuals and businesses is anticipated from the provisions of this bill.

Source Agencies:

LBB Staff: UP, KK