

BILL ANALYSIS

Senate Research Center

H.B. 3623
By: Hilbert (Ratliff)
Finance
5/14/1999
Engrossed

DIGEST

In 1987, the Texas Legislature enacted a tax bill which greatly expanded the list of goods and services subject to state and local sales taxes. Although the legislature considered expanding the sales tax base to include “professional services,” this proposal was rejected. Accordingly, professional services, such as engineering, architectural, legal, accounting, and medical services remain exempt from the sales tax. Surveying services were included in the definition of “real property services.” Texas surveyors are the only professional services subject to the state sales tax. H.B. 3623 amends application of the sales tax to land surveying services.

PURPOSE

As proposed, H.B. 3623 amends the application of the sales tax to land surveying services.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

ARTICLE 1

SECTION 1.01. Amends Section 151.0048(b), Tax Code, to redefine “real property service” to not include a service listed under Subsection (a) if the service is purchased by a contractor, or under Subsection (a)(6) if purchased by an owner of real property. Makes a conforming change.

SECTION 1.02 Effective date of this article: October 1, 1999.
Makes application of Section 1.01 prospective.

ARTICLE 2

SECTION 2.01. Amends Section 151.0048(b), Tax Code, to define “real property service.”

SECTION 2.02. Effective date of this article: October 1, 2001.
Makes application of Section 2.01 prospective.

ARTICLE 3.

SECTION 3.01. Emergency clause.