

BILL ANALYSIS

Senate Research Center
76R1721 SMJ-D

H.B. 871
By: Goodman (Harris)
Finance
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Engrossed

DIGEST

Currently, under Texas law, a sales tax is imposed on the sale of an animal by a nonprofit animal shelter, including an adoption fee that is accepted by such a shelter. The adoption fee is utilized only to cover the expenses of preparing the animal for adoption and not to profit the shelter. This bill would exempt the sale of animals by nonprofit animal shelters from the sales tax.

PURPOSE

As proposed, H.B. 871 exempts the sale of animals by nonprofit animal shelters from the sales tax.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 151H, Tax Code, by adding Section 151.343, as follows:

Sec. 151.343. ANIMALS SOLD BY NONPROFIT ANIMAL SHELTERS. Exempts the sale, including the acceptance of a fee for adoption, of an animal by a nonprofit animal shelter, as that term is defined by Section 823.001, Health and Safety Code, from the taxes imposed by this chapter.

SECTION 2. Effective date: the first day of the first calendar quarter beginning on or after the earliest date that it may take effect under Section 39, Article III, Texas Constitution. Makes application of this Act prospective.

SECTION 3. Emergency clause.