

BILL ANALYSIS

Senate Research Center
80R6547 CBH-F

H.B. 373
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Finance
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Currently, an individual who sells more than two taxable items in a 12-month period is subject to the Texas sales and use tax and must obtain a "retailer" permit as defined in Section 151.008 ("Seller" or "Retailer"), Tax Code. However, many Texans now sell their unneeded personal property through Internet auctions where listings of multiple personal items have become common practice. Existing law, unfortunately, does not sufficiently differentiate between business and personal sales, putting these non-business sellers in violation of the law if their items are purchased by Texas buyers.

H.B. 373 includes the sale of personal property for personal or family use, as long as total receipts from such sales do not exceed \$3,000 in a calendar year, in the definition of an "occasional sale."

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 151.304(b), Tax Code, to redefine "occasional sale."

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: July 1, 2007, or September 1, 2007.