

BILL ANALYSIS

Senate Research Center
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S.B. 1010
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Finance
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The recent devastation along the Gulf Coast of the United States by hurricanes Katrina and Rita demonstrated the need for all communities in the paths of future storms to provide their residents with any and all tools possible to prepare well in advance for hurricanes and tropical storms. Retailers are simply not equipped to handle the crush of people who are attempting to protect themselves and their property just days before a hurricane's landfall. The State of Florida has established a successful 11-day summer sales tax holiday to allow its citizens an opportunity to prepare for such catastrophes in advance. A sales tax holiday in Texas will provide consumers and retailers ample time to prepare and organize without the immediate threat of a storm. Some of the sales tax-exempt items are: a generator, wireless telephone, flashlight, lantern, a radio valued at less than \$100, first aid kit, batteries, gas cans, cleaning supplies, water filter propane, and many other items necessary for hurricane preparedness and summer.

As proposed, S.B. 1010 creates a summer sales tax holiday during the first weekend of June for items intended to prepare for hurricanes and for summer activities. Items exempted from sales tax would include those recommended for hurricane preparation by the National Oceanic and Atmospheric Administration (NOAA).

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter H, Chapter 151, Tax Code, by adding Section 151.357, to read as follows:

Sec. 151.357. HURRICANE PREPARATION AND SUMMER SEASONAL SUPPLIES FOR LIMITED PERIOD. Provides that the sale of a hurricane preparation or summer seasonal item is exempted from the taxes imposed by this chapter if the sale takes place within a period beginning at 12:01 a.m. on the first Friday in June and ending at 12 midnight on the following Sunday. Defines "hurricane preparation or summer seasonal item."

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: September 1, 2007.