

BILL ANALYSIS

Senate Research Center
80R3494 DAK-D

S.B. 490
By: Ellis
Finance
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Currently consumers do not have a significant incentive to purchase energy efficient appliances. In addition, all appliances, whether designated "Energy Star" or not, are subject to the same sales tax.

As proposed, S.B. 490 provides a tax exemption on certain "Energy Star" appliances to non-commercial consumers as an incentive to purchase energy efficient products. The provisions of this bill are limited to a list of eight appliances that have been designated as "Energy Star" qualified under the Energy Star program operated by the United States Environmental Protection Agency (EPA) and the United States Department of Energy and have a sales price at or below \$1500

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 151.333, as follows:

Sec. 151.333. ENERGY EFFICIENT PRODUCTS. (a) Defines "energy efficient product."

(b) Sets forth the energy efficient products, with a sales price equal to or less than \$1,500, to which this section applies.

(c) Exempts the energy efficient products to which this section applies from the taxes imposed by this chapter under certain conditions.

(d) Provides that a retailer is not required to obtain an exemption certificate stating that an energy efficient product to which this section applies is purchased for noncommercial home or personal use unless more than two items of the product are purchase at the same time.

SECTION 2. Makes application of this Act prospective.

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