

## **BILL ANALYSIS**

Senate Research Center  
80R6049 CBH-D

S.B. 741  
By: Carona  
Finance  
3/8/2007  
As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Under current law, metropolitan transit authorities are allowed to collect the sales tax on goods in approved jurisdictions at the point of sale. However, sales tax is not applied on goods that are scheduled for delivery outside of that taxing jurisdiction. Metropolitan transit authorities, as a result, are unable to collect taxes on those items that are shipped or delivered outside of the transit area.

As proposed, S.B. 741 repeals sections of the Tax Code that apply sales tax at the point of delivery, rather than at the point of sale, thus allowing an authority to tax items before those items leave the transit area.

### **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. Repealers: (1) Section 322.105(d) (regarding the taxation of exempt items by purchaser who takes shipment or delivery), Tax Code.

(2) Section 322.107 (Sales Tax on Items Leaving Entity), Tax Code.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: September 1, 2007.