

BILL ANALYSIS

Senate Research Center
84R21553 CJC-D

C.S.S.B. 228
By: Creighton; Nichols
Finance
4/21/2015
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Since 2009, retailers in East and Southeast Texas have been at a competitive disadvantage as it relates to their Louisiana counterparts. Louisiana adopted a sales tax holiday for individual purchases of firearms, ammunition, and hunting supplies during the first full weekend of September.

In order to address this situation, S.B. 228 creates a sales tax holiday for firearms and hunting supplies on the last full weekend in August. "Hunting supplies" is defined as "ammunition, archery equipment, hunting blinds and stands, hunting decoys, firearm cleaning supplies, gun cases and gun safes, and hunting optics." Hunting seasons usually begin at the end of August or early September. By placing the Texas sales tax holiday on these items on the last full weekend in August, Texas retailers and hunters would be given an advantage by allowing them to prepare for the season and purchase their supplies prior to the date of the Louisiana sales tax holiday. (Original Author's / Sponsor's Statement of Intent)

C.S.S.B. 228 amends current law relating to an exemption from the sales tax for firearms and hunting supplies for a limited period.

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 Subchapter H, Chapter 151, Tax Code, by adding Section 151.358, as follows:

Sec. 151.358. FIREARMS AND HUNTING SUPPLIES FOR LIMITED PERIOD. (a) Defines "hunting supplies" in this section.

(b) Provides that the sale of a firearm or hunting supplies is exempted from the taxes imposed by this chapter if the sale takes place during a period:

(1) beginning at 12:01 a.m. on the Saturday of the last full weekend in August and ending at 12 midnight on the following Sunday; or

(2) beginning at 12:01 a.m. on the Saturday of the last full weekend in October and ending at 12 midnight on the following Sunday.

SECTION 2. (a) Provides that, notwithstanding Section 151.358(b)(1), Tax Code, as added by this Act, if this Act takes effect September 1, 2015, the exemption provided by that subdivision from the taxes imposed by Chapter 151, Tax Code, applies to a sale that takes place during a period beginning at 12:01 a.m. on the Friday before the first full weekend in September 2015 and ending at 12 midnight on the following Sunday if the sale otherwise meets the requirements of that section.

(b) Provides that this section, if this Act receives the vote necessary for immediate effect as provided by Section 4 of this Act, has no effect.

(c) Provides that this section, if this section takes effect, expires October 1, 2015.

SECTION 3. Provides that the change in law made by this Act does not affect tax liability accruing before the effective date of this Act. Provides that liability continues in effect as if this Act had not been enacted, and the former law is continued in effect for the collection of taxes due and for civil and criminal enforcement of the liability for those taxes.

SECTION 4. Effective date, except as otherwise provided by this Act: upon passage or September 1, 2015.