

BILL ANALYSIS

Senate Research Center

S.B. 904
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Finance
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Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

S.B. 904 establishes a tax free weekend the last weekend in April for emergency supplies and hurricane-proofing materials. The program is designed to encourage Texas consumers to reinforce their property and prepare for the upcoming storm season. It will also serve as an incentive for them to better protect their property and lives during and after a potential weather-related emergency.

This program provides an opportunity for consumers all over the state to be better prepared for weather events or disasters, including ice storms, wildfires, hail storms, hurricanes, floods and others. Additionally, having a dedicated weekend with retailers participating will also raise public awareness about the importance of mitigation and being prepared to weather-related events.

Tax-free items include certain portable generators and hurricane shutters, as well as smaller emergency preparedness and storm preparedness items like weather radios, rope ladders, smoke detectors, fire extinguishers, and first aid kits.

Research indicates that every \$1 spent on mitigation returns \$3 to \$4 in the event of a storm.

The program will mirror the school supplies sales tax holiday that occurs during back-to-school season.

S.B. 904 amends current law relating to exempting emergency preparation supplies from the sales and use tax 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 151.3565, as follows:

Sec. 151.3565. EMERGENCY PREPARATION SUPPLIES FOR LIMITED PERIOD.

(a) Provides that the sale of an emergency preparation item is exempted from the taxes imposed by this chapter if the sale takes place during a period beginning at 12:01 a.m. on the Saturday before the last Monday in April and ending at 12 midnight on the last Monday in April.

(b) Provides that for purposes of this section, "emergency preparation item" means:

(1) a portable generator used to provide light or communications or to preserve perishable food in the event of a power outage, the sales price of which is less than \$3,000;

(2) an item listed in this subdivision, the sales price of which is less than \$300:

(A) a storm protection device manufactured, rated, and marketed specifically to prevent damage to a glazed or non-glazed opening during a storm; or

(B) an emergency or rescue ladder; or

(3) an item listed in this subdivision, the sales price of which is less than \$75:

(A) a reusable or artificial ice product;

(B) a portable, self-powered light source;

(C) a gasoline or diesel fuel container;

(D) a AAA cell, AA cell, C cell, D cell, 6 volt, or 9 volt battery, or a package containing more than one battery, other than an automobile or boat battery;

(E) a nonelectric cooler or ice chest for food storage;

(F) a tarpaulin or other flexible waterproof sheeting;

(G) a ground anchor system or tie-down kit;

(H) a mobile telephone battery or battery charger;

(I) a portable self-powered radio, including a two-way radio or weatherband radio;

(J) a fire extinguisher, smoke detector, or carbon monoxide detector;

(K) a hatchet or axe;

(L) a self-contained first aid kit; or

(M) a nonelectric can opener.

SECTION 2. Provides that the change in law made by this Act does not affect taxes imposed before the effective date of this Act, and the law in effect before the effective date of this Act is continued in effect for purposes of the liability for and collection of those taxes.

SECTION 3. Effective date: September 1, 2015.