

BILL ANALYSIS

Senate Research Center
87R6447 BEF-D

S.B. 1249
By: Taylor
Finance
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The hospitality industry is one of Texas' largest and hardest hit industries by COVID-19. It has yet to recover from the economic devastation. S.B. 1249 would provide relief by temporarily reducing the mixed beverage gross receipts tax rate from September 1, 2021, to September 1, 2023, allowing business owners to keep more money in their business as the industry slowly picks up.

As proposed, S.B. 1249 amends current law relating to temporarily decreasing the rate of the mixed beverage gross receipts tax.

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. (a) Amends Section 183.021, Tax Code, as follows:

Sec. 183.021. TAX IMPOSED ON GROSS RECEIPTS OF PERMITTEE FROM MIXED BEVERAGES. Decreases from 6.7 to 4.7 percent the tax rate imposed on the gross receipts of a permittee received from the sale, preparation, or service of mixed beverages or from the sale, preparation, or service of ice or nonalcoholic beverages that are sold, prepared, or served for the purpose of being mixed with an alcoholic beverage and consumed on the premises of the permittee.

(b) Provides that the change in law made by this section does not affect tax liability accruing before the effective date of this section. Provides that liability continues in effect as if this section had not been enacted, and the former law is continued in effect for the collection and enforcement of those taxes.

(c) Provides that the change in law made by this section applies beginning at 3 a.m. on the effective date of this section. Provides that the law in effect immediately before the effective date of this section continues in effect until 3 a.m. on the effective date of this section.

SECTION 2. (a) Effective date, this section: September 1, 2023.

(b) Amends Section 183.021, Tax Code, as follows:

Sec. 183.021. TAX IMPOSED ON GROSS RECEIPTS OF PERMITTEE FROM MIXED BEVERAGES. Provides that a tax at the rate of 6.7 percent is imposed on the gross receipts of a permittee received from the sale, preparation, or service of mixed beverages or from the sale, preparation, or service of ice or nonalcoholic beverages that are sold, prepared, or served for the purpose of being mixed with an alcoholic beverage and consumed on the premises of the permittee.

(c) Provides that the change in law made by this section does not affect tax liability accruing before the effective date of this section. Provides that liability continues in effect as if this section had not been enacted, and the former law is continued in effect for the collection and enforcement of those taxes.

(d) Provides that the change in law made by this section applies beginning at 3 a.m. on the effective date of this section. Provides that the law in effect immediately before the effective date of this section continues in effect until 3 a.m. on the effective date of this section.

SECTION 3. Effective date, except as otherwise provided by this Act: September 1, 2021.