

By: Nelson

S.B. No. 200

A BILL TO BE ENTITLED

AN ACT

relating to the exclusion of Internet access service from sales and use taxes.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 151.00394(b), Tax Code, is amended to read as follows:

(b) "Internet access service" does not include ~~[and the exemption under Section 151.325 does not apply to]~~ any ~~[other]~~ taxable service listed in Section 151.0101(a), unless the taxable service is provided in conjunction with and is merely incidental to the provision of Internet access service.

SECTION 2. Section 151.0101(a), Tax Code, is amended to read as follows:

(a) "Taxable services" means:

- (1) amusement services;
- (2) cable television services;
- (3) personal services;
- (4) motor vehicle parking and storage services;
- (5) the repair, remodeling, maintenance, and restoration of tangible personal property, except:

(A) aircraft;

(B) a ship, boat, or other vessel, other than:

(i) a taxable boat or motor as defined by Section 160.001;

1 (ii) a sports fishing boat; or
2 (iii) any other vessel used for pleasure;
3 (C) the repair, maintenance, and restoration of a
4 motor vehicle; and
5 (D) the repair, maintenance, creation, and
6 restoration of a computer program, including its development and
7 modification, not sold by the person performing the repair,
8 maintenance, creation, or restoration service;
9 (6) telecommunications services;
10 (7) credit reporting services;
11 (8) debt collection services;
12 (9) insurance services;
13 (10) information services;
14 (11) real property services;
15 (12) data processing services;
16 (13) real property repair and remodeling;
17 (14) security services;
18 (15) telephone answering services; and
19 (16) [~~Internet access service, and~~
20 [~~(17)~~] a sale by a transmission and distribution
21 utility, as defined in Section 31.002, Utilities Code, of
22 transmission or delivery of service directly to an electricity
23 end-use customer whose consumption of electricity is subject to
24 taxation under this chapter.

25 SECTION 3. Section 151.325, Tax Code, is repealed.

26 SECTION 4. The change in law made by this Act does not
27 affect tax liability accruing before the effective date of this

1 Act. That liability continues in effect as if this Act had not been
2 enacted, and the former law is continued in effect for the
3 collection of taxes due and for civil and criminal enforcement of
4 the liability for those taxes.

5 SECTION 5. This Act takes effect July 1, 2021, if it
6 receives a vote of two-thirds of all the members elected to each
7 house, as provided by Section 39, Article III, Texas Constitution.
8 If this Act does not receive the vote necessary for effect on that
9 date, this Act takes effect September 1, 2021.