

By: Bhojani

H.B. No. 5209

A BILL TO BE ENTITLED

AN ACT

relating to a temporary decrease in the rates of state sales and use taxes applicable to certain sales the payment for which is made using a decentralized network in the blockchain.

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

SECTION 1. Section 151.051, Tax Code, is amended by adding Subsections (c) and (d) to read as follows:

(c) Notwithstanding Subsection (b), the sales and use tax rate is 5-1/4 percent of the sales price of a taxable item if:

(1) payment for the taxable item is made using a decentralized network that uses smart contract functionality in the blockchain to enable instant payments across a network of participants;

(2) during the calendar year in which the sale is made and ending on the date the sale is made, the total amount of sales and use taxes reduced by this subsection is less than \$400,000; and

(3) the sale is made on or after January 1, 2024, and before January 1, 2026.

(d) The comptroller shall require permit holders who accept payments described by Subsection (c)(1) to report the amount of sales and use taxes imposed at the rate provided by Subsection (c) daily until the limit provided by Subsection (c)(2) is reached for a calendar year. The comptroller shall notify permit holders who accept payments described by Subsection (c)(1) when the limit

1 provided by Subsection (c)(2) is reached for a calendar year.

2 Subsection (c) and this subsection expire January 1, 2026.

3 SECTION 2. The changes in law made by this Act do not affect
4 tax liability accruing before the effective date of this Act. That
5 liability continues in effect as if this Act had not been enacted,
6 and the former law is continued in effect for the collection of
7 taxes due and for civil and criminal enforcement of the liability
8 for those taxes.

9 SECTION 3. This Act takes effect September 1, 2023.