

By: Smith of Tarrant

H.B. No. 1286

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the exemption of certain food from the sales and use
3 tax.

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

5 SECTION 1. Section 151.314(e), Tax Code, is amended to read
6 as follows:

7 (e) Food products, candy, carbonated beverages, and diluted
8 juices are exempted from the taxes imposed by this chapter if sold
9 at an exempt sale qualifying under this subsection or if stored or
10 used by the purchaser of the item at the exempt sale. A sale is
11 exempted under this subsection if:

12 (1) the sale is made by a [~~person under 19 years old~~
13 ~~who is a~~] member of or volunteer for a nonprofit organization
14 devoted to the exclusive purpose of education or religious or
15 physical training or by a group associated with a public or private
16 elementary or secondary school;

17 (2) the sale is made as a part of a fund-raising drive
18 sponsored by the organization or group; and

19 (3) all net proceeds from the sale go to the
20 organization or group for its exclusive use.

21 SECTION 2. (a) This Act takes effect July 1, 2003, if it
22 receives a vote of two-thirds of all the members elected to each
23 house, as provided by Section 39, Article III, Texas Constitution.
24 If this Act does not receive the vote necessary for effect on that

1 date, this Act takes effect September 1, 2003.

2 (b) The change in law made by this Act does not affect taxes
3 imposed before the effective date of this Act, and the former law is
4 continued in effect for purposes of the liability for and
5 collection of those taxes.