

By: Oliveira

H.B. No. 1964

A BILL TO BE ENTITLED

AN ACT

relating to the sales tax on telecommunications services.

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

SECTION 1. Section 151.025, Tax Code, is amended by adding Subsection (d) to read as follows:

(d) If any nontaxable charges are combined with and not separately stated from taxable telecommunications service charges on the customer bill or invoice of a provider of telecommunications services, the combined charge is subject to tax unless the provider can identify the portion of the charges that are nontaxable through the provider's books and records kept in the regular course of business. If the nontaxable charges cannot reasonably be identified, the charges from the sale of both nontaxable services and taxable telecommunications services are attributable to taxable telecommunications services. The provider of telecommunications services has the burden of proving nontaxable charges.

SECTION 2. Section 151.025(c), Tax Code, is repealed.

SECTION 3. (a) This Act takes effect July 1, 2003, if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for effect on that date, this Act takes effect October 1, 2003.

(b) The change in law made by this Act does not affect taxes

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1 imposed before the effective date of this Act, and the law in effect  
2 before the effective date of this Act is continued in effect for  
3 purposes of the liability for and collection of those taxes.