

By: Raymond

H.B. No. 3494

A BILL TO BE ENTITLED

AN ACT

relating to the imposition of state and local occupation taxes on amusement gaming machines.

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

SECTION 1. Section 2153.002, Occupations Code, is amended by adding Subdivision (10) to read as follows:

(10) "Coin-operated amusement gaming machine":

(A) means a device described by Section 47.01(4)(B), Penal Code, that would constitute a gambling device under Section 47.01(4), Penal Code, if it were not excluded from the definition of gambling device by Section 47.01(4)(B); and

(B) does not include:

(i) a machine that awards the user noncash merchandise prizes, toys, or novelties solely and directly from the machine, including claw, crane, or similar machines; or

(ii) a machine from which the opportunity to receive a prize or a representation of value redeemable for a prize varies depending on the user's ability to throw, roll, flip, toss, hit, or drop a ball or other physical object into the machine or a part of the machine, including basketball, skeeball, golf, bowling, pusher, or similar machines.

SECTION 2. Section 2153.401, Occupations Code, is amended by amending Subsection (b) and adding Subsection (c) to read as follows:

1 (b) Except as provided by Subsection (c), the [~~The~~] tax rate
2 is \$60 per year.

3 (c) The tax rate for a coin-operated amusement gaming
4 machine is an amount equal to 10 percent of the gross receipts
5 generated by the machine.

6 SECTION 3. Section 2153.451, Occupations Code, is amended
7 by amending Subsection (b) and adding Subsection (c) to read as
8 follows:

9 (b) Except as provided by Subsection (c), the [~~The~~] rate of
10 the tax may not exceed one-fourth of the rate of the tax imposed
11 under Section 2153.401.

12 (c) The tax rate for a coin-operated amusement gaming
13 machine is \$100 per year.

14 SECTION 4. This Act takes effect October 1, 2003.