

Amend the Hochberg Amendment to CSHB 3 (pages 219-221 of the amendment book) as follows:

(1) On page 1, strike the bottom two lines, and strike all of pages 2 and 3 and substitute the following:

(3) In Article 3, Part A, add the following SECTIONS and renumber subsequent SECTIONS accordingly:

SECTION 3A.____. (a) Subchapter H, Chapter 151, Tax Code, is amended by adding Section 151.3131 to read as follows:

Sec. 151.3131. PARKING AND STORAGE SERVICES. (a) Motor vehicle parking and storage services are exempted under this section from the taxes imposed by this chapter only if the services are:

(1) provided at a parking facility owned or operated by:

(A) a health facility;

(B) a nonprofit corporation that has donated land on which a health facility is located or land that a health facility uses to enhance the delivery of health services provided by the health facility; or

(C) an entity that contracts with the health facility or nonprofit corporation to provide the motor vehicle parking and storage services; and

(2) the motor vehicle parking and storage services are primarily used by patients of and visitors to the health facility and people who work at the health facility.

(b) A person who operates a facility that provides motor vehicle parking and storage services is not exempted under this section until the person submits to the comptroller, in the form required by the comptroller, notice that the person operates a facility eligible for exemption and the comptroller verifies that the facility is eligible. The comptroller shall maintain a list of facilities in this state that provide motor vehicle parking and storage services that are exempted from the taxes imposed under this chapter.

(c) A facility that provides motor vehicle parking and storage services exempted under this section shall prominently display at the entrance or payment area of the facility a notice

that the parking and storage services provided are exempted from the taxes imposed under this chapter.

(d) In this section, "health facility" means:

(1) a hospital, clinic, nursing home, extended care facility, outpatient facility, rehabilitation facility, medical or dental laboratory, medical or dental office building, x-ray or scanning facility, medical or dental research, diagnostic, or educational facility;

(2) an adult care facility, foster care facility, live-care facility, retirement home or village, home for the aging, or other facility that furnishes medical or nursing attention or services and food and shelter to an individual for more than one year;

(3) a multi-unit housing facility for the staff, nurses, interns, and other employees of a health facility and for their relatives or for patients or relatives of patients admitted for treatment or care in a health facility; or

(4) any other structure or facility that is related to or essential to the operation of a health facility.

(b) A facility that provides motor vehicle parking and storage services exempted under Section 151.3131, Tax Code, as added by this section, that is in existence on the effective date of this part, and that provides users with a separate statement of the amount charged for services and taxes may not:

(1) collect taxes imposed under Chapter 151, Tax Code, on or after the date on which the facility is exempted; or

(2) increase the amount charged for motor vehicle parking and storage services before the 180th day after the date on which the facility is exempted.

(c) A facility that provides motor vehicle parking and storage services exempted under Section 151.3131, Tax Code, as added by this section, that is in existence on the effective date of this part, and that charges tax inclusive of rates for motor vehicle parking and storage services:

(1) shall reduce each rate charged to an amount not to exceed the amount obtained by multiplying each rate charged by the percentage obtained by dividing 1.00 by 1.00 plus the combined

state, local, and transportation authority tax rate otherwise applicable to the facility on the date on which the facility is exempted; and

(2) may not increase those rates before the 180th day after the date on which the facility is exempted.

(d) A facility that provides motor vehicle parking and storage services exempted under Section 151.3131, Tax Code, as added by this section, and that is not in existence on the effective date of this Act, may not collect taxes imposed under Chapter 151, Tax Code, on or after the date on which the facility is exempted.

SECTION 3A.____. (a) Subchapter H, Chapter 151, Tax Code, is amended by adding Section 151.3132 to read as follows:

Sec. 151.3132. DIAPERS. (a) Diapers are exempt from the taxes imposed by this chapter.

(b) The exemption under Subsection (a) applies to:

(1) the sale or use of disposable diapers;

(2) the sale or use of reusable cloth diapers; and

(3) diaper services that provide diaper rental and laundry.