

By: Davis of Dallas

H.B. No. 118

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the repeal of certain tax exemptions and deductions.

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

4 SECTION 1. (a) Except as otherwise provided by this
5 section, the following provisions of the Tax Code are repealed:

- 6 (1) Subchapter B, Chapter 11;
- 7 (2) Subchapter C, Chapter 11;
- 8 (3) Subchapter H, Chapter 151;
- 9 (4) Section 151.429;
- 10 (5) Section 151.4291;
- 11 (6) Section 151.431;
- 12 (7) Subchapter B, Chapter 171;
- 13 (8) Subchapter J, Chapter 171;
- 14 (9) Subchapter L, Chapter 171;
- 15 (10) Subchapter M, Chapter 171;
- 16 (11) Subchapter N, Chapter 171;
- 17 (12) Subchapter O, Chapter 171;
- 18 (13) Subchapter P, Chapter 171;
- 19 (14) Subchapter Q, Chapter 171;
- 20 (15) Subchapter R, Chapter 171;
- 21 (16) Subchapter S, Chapter 171;
- 22 (17) Subchapter T, Chapter 171;
- 23 (18) Subchapter U, Chapter 171, as added by Chapter
24 209, Acts of the 78th Legislature, Regular Session, 2003; and

1 (19) Subchapter U, Chapter 171, as added by Chapter
2 1274, Acts of the 78th Legislature, Regular Session, 2003.

3 (b) The repeal of a tax exemption in Chapter 11, Tax Code, by
4 Subsection (a) of this section is not effective if the constitution
5 of this state directly provides the exemption. If the constitution
6 of this state authorizes but does not directly provide the
7 exemption, the repeal of the exemption by this Act is effective.

8 (c) The repeal of a tax exemption in Chapter 151, Tax Code,
9 by Subsection (a) of this section is not effective if this state is
10 unable to tax the item or service under the United States
11 Constitution.

12 SECTION 2. (a) The change in law made by this Act to Chapter
13 171, Tax Code, applies only to a report originally due on or after
14 the effective date of this Act.

15 (b) This Act does not affect taxes imposed before the
16 effective date of this Act, and the law in effect before the
17 effective date of this Act is continued in effect for purposes of
18 the liability for and collection of those taxes.

19 SECTION 3. This Act takes effect July 1, 2005, if it
20 receives a vote of two-thirds of all the members elected to each
21 house, as provided by Section 39, Article III, Texas Constitution.
22 If this Act does not receive the vote necessary for effect on that
23 date, this Act takes effect October 1, 2005.