

By: Davis of Dallas

H.B. No. 119

A BILL TO BE ENTITLED

AN ACT

relating to the repeal of certain sales tax exemptions and refunds.

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

SECTION 1. The following sections of the Tax Code are repealed:

- (1) 151.3021;
- (2) 151.3101;
- (3) 151.315;
- (4) 151.316;
- (5) 151.3162;
- (6) 151.317;
- (7) 151.318;
- (8) 151.3181;
- (9) 151.3185;
- (10) 151.319;
- (11) 151.320;
- (12) 151.322;
- (13) 151.324;
- (14) 151.325;
- (15) 151.328(b) and (d);
- (16) 151.329;
- (17) 151.3291;
- (18) 151.331;
- (19) 151.335;

- 1           (20) 151.342;  
2           (21) 151.351;  
3           (22) 151.355; and  
4           (23) 151.429.

5           SECTION 2. Subchapter H, Chapter 151, Tax Code, is amended  
6 by adding Section 151.3171 to read as follows:

7           Sec. 151.3171. RESIDENTIAL GAS AND ELECTRICITY. (a) In  
8 this section, "residential use" means use:

9           (1) in a family dwelling or in a multifamily apartment  
10 or housing complex or building or in a part of a building occupied  
11 as a home or residence when the use is by the owner of the dwelling,  
12 apartment, complex, or building or part of the building occupied;  
13 or

14           (2) in a dwelling, apartment, house, or building or  
15 part of a building occupied as a home or residence when the use is by  
16 a tenant who occupies the dwelling, apartment, house, or building  
17 or part of a building under a contract for an express initial term  
18 for longer than 29 consecutive days.

19           (b) Gas and electricity are exempted from the taxes imposed  
20 by this chapter when sold for residential use.

21           (c) The sale, production, distribution, lease, or rental  
22 of, and the use, storage, or other consumption in this state of, gas  
23 and electricity sold for residential use are exempted from the  
24 taxes imposed by a municipality under Chapter 321 except as  
25 provided by Section 321.105.

26           (d) Natural gas or electricity used during a regular monthly  
27 billing period for both exempt and taxable purposes under a single

1 meter is totally exempt or taxable based on the predominant use of  
2 the natural gas or electricity measured by that meter. The  
3 comptroller may prescribe by rule the procedures by which a  
4 purchaser must establish the predominant use of the natural gas or  
5 electricity.

6         SECTION 3. The change in law made by this Act does not  
7 affect taxes imposed before the effective date of this Act, and the  
8 law in effect before the effective date of this Act is continued in  
9 effect for purposes of the liability for and collection of those  
10 taxes.

11         SECTION 4. This Act takes effect July 1, 2005, if it  
12 receives a vote of two-thirds of all the members elected to each  
13 house, as provided by Section 39, Article III, Texas Constitution.  
14 If this Act does not receive the vote necessary for effect on that  
15 date, this Act takes effect October 1, 2005.