

By: Reyna

H.B. No. 1724

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the artificial lowering of the sales price of certain
3 tangible personal property; providing penalties.

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

5 SECTION 1. Subchapter L, Chapter 151, Tax Code, is amended
6 by adding Section 151.702 to read as follows:

7 Sec. 151.702. ARTIFICIAL LOWERING OF SALES PRICE IN CERTAIN
8 CIRCUMSTANCES; CIVIL PENALTY. (a) A person who sells tangible
9 personal property that is a taxable item under this chapter in
10 conjunction with providing a service that is not a taxable item
11 under this chapter relating to the installation, replacement, or
12 maintenance of the property is liable for a civil penalty if the
13 person charges a sales price for the property that is more than 25
14 percent below the sales price of the property, in the community in
15 which the person is located, provided without any service.

16 (b) A civil penalty under this section is \$100 for each
17 violation.

18 SECTION 2. This Act takes effect immediately if it receives
19 a vote of two-thirds of all the members elected to each house, as
20 provided by Section 39, Article III, Texas Constitution. If this
21 Act does not receive the vote necessary for immediate effect, this
22 Act takes effect September 1, 2005.