

By: Jackson

H.B. No. 142

A BILL TO BE ENTITLED

1 AN ACT

2 relating to imposition of local sales and use taxes on items shipped
3 or delivered from one transit authority to another transit
4 authority by certain retailers.

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

6 SECTION 1. Section 322.107, Tax Code, is amended to read as
7 follows:

8 Sec. 322.107. EXEMPTION: SALES TAX ON ITEMS LEAVING
9 ENTITY. (a) There are exempted from the sales tax of a taxing
10 entity the receipts of the sale of a taxable item that, under a
11 sales contract, is shipped to a point outside the entity by means
12 of:

13 (1) facilities operated by the retailer;

14 (2) delivery by the retailer to a carrier for shipment
15 to a consignee at that point; or

16 (3) delivery by the retailer to a forwarding agent for
17 shipment outside the entity.

18 (b) This section does not apply to tangible personal
19 property that is:

20 (1) sold by a retailer:

21 (A) whose only place of business in this state is
22 located in a taxing entity; and

23 (B) whose total receipts subject to taxation
24 under Chapter 151 during the preceding fiscal year were less than

1 \$10,000; and

2 (2) shipped or delivered directly to a purchaser in
3 another taxing entity.

4 SECTION 2. The change in law made by this Act does not
5 affect tax liability accruing before the effective date of this
6 Act. That liability continues in effect as if this Act had not been
7 enacted, and the former law is continued in effect for the
8 collection of taxes due and for civil and criminal enforcement of
9 the liability for those taxes.

10 SECTION 3. This Act takes effect September 1, 2007.