

By: Flores

H.B. No. 3159

A BILL TO BE ENTITLED

AN ACT

relating to taxable items for exempt entities.

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

SECTION 1. Amend Section 151.311(b) of the Tax Code to read as follows:

(b) The purchase of tangible personal property, other than machinery or equipment and its accessories and repair and replacement parts, for use in the performance of a contract for an improvement to realty for an organization exempted under Section 151.309 or 151.310 of this code is exempt if the tangible personal property is:

(1) necessary and essential for the performance of the contract; and

(2) completely consumed at the job site.

SECTION 2. Amend Section 151.311 of the Tax Code by adding new (e) to read as follows:

(e) For purposes of this section, machinery or equipment and its accessories and repair and replacement parts used in the performance of a contract with the Texas Department of Transportation is exempt.

SECTION 3. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided in Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this

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1 Act takes effect September 1, 2007.