

By: Brimer

S.B. No. 472

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to the application of the sales and use tax to the transfer  
3 of certain tangible personal property.

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

5 SECTION 1. (a) Section 151.006, Tax Code, is amended to  
6 read as follows:

7 Sec. 151.006. "SALE FOR RESALE". (a) "Sale for resale"  
8 means a sale of:

9 (1) tangible personal property or a taxable service to  
10 a purchaser who acquires the property or service for the purpose of  
11 reselling it in the United States of America or a possession or  
12 territory of the United States of America or in the United Mexican  
13 States in the normal course of business in the form or condition in  
14 which it is acquired or as an attachment to or integral part of  
15 other tangible personal property or taxable service;

16 (2) tangible personal property to a purchaser for the  
17 sole purpose of the purchaser's leasing or renting it in the United  
18 States of America or a possession or territory of the United States  
19 of America or in the United Mexican States in the normal course of  
20 business to another person, but not if incidental to the leasing or  
21 renting of real estate;

22 (3) tangible personal property to a purchaser who  
23 acquires the property for the purpose of transferring it in the  
24 United States of America or a possession or territory of the United

1 States of America or in the United Mexican States as an integral  
2 part of a taxable service; or

3 (4) a taxable service performed on tangible personal  
4 property that is held for sale by the purchaser of the taxable  
5 service.

6 (b) Subsection (a)(3) applies to a transfer of tangible  
7 personal property as an integral part of a taxable service,  
8 regardless of whether there is a separate charge for the tangible  
9 personal property or whether the purchaser is the provider of the  
10 taxable service, if payment for the service is a condition for  
11 receiving the tangible personal property.

12 SECTION 2. The change in law made by this Act does not  
13 affect tax liability accruing before the effective date of this  
14 Act. That liability continues in effect as if this Act had not been  
15 enacted, and the former law is continued in effect for the  
16 collection of taxes due and for civil and criminal enforcement of  
17 the liability for those taxes.

18 SECTION 3. This Act takes effect July 1, 2007, if this Act  
19 receives a vote of two-thirds of all the members elected to each  
20 house, as provided by Section 39, Article III, Texas Constitution.  
21 If this Act does not receive the vote necessary for effect on that  
22 date, this Act takes effect September 1, 2007.