

By: Watson

S.B. No. 865

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the sales and use tax on certain pharmaceutical  
3 biotechnology cleanrooms and equipment.

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

5 SECTION 1. Section 151.318(b), Tax Code, is amended to read  
6 as follows:

7 (b) The exemption includes:

8 (1) chemicals, catalysts, and other materials that are  
9 used during a manufacturing, processing, or fabrication operation  
10 to produce or induce a chemical or physical change, to remove  
11 impurities, or to make the product more marketable;

12 (2) semiconductor fabrication cleanrooms and  
13 equipment; and

14 (3) pharmaceutical biotechnology cleanrooms and  
15 equipment that are installed as part of the construction of a new  
16 facility [~~with a value of at least \$150 million and~~] on which  
17 construction began after July 1, 2003[~~, and before August 31,~~  
18 ~~2004~~].

19 SECTION 2. The change in law made by this Act does not  
20 affect tax liability accruing before the effective date of this  
21 Act. That liability continues in effect as if this Act had not been  
22 enacted, and the former law is continued in effect for the  
23 collection of taxes due and for civil and criminal enforcement of  
24 the liability for those taxes.

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