

1-1 By: Brimer S.B. No. 953
1-2 (In the Senate - Filed February 27, 2007; March 7, 2007,
1-3 read first time and referred to Committee on Finance; May 15, 2007,
1-4 reported adversely, with favorable Committee Substitute by the
1-5 following vote: Yeas 10, Nays 0; May 15, 2007, sent to printer.)

1-6 COMMITTEE SUBSTITUTE FOR S.B. No. 953 By: Williams

1-7 A BILL TO BE ENTITLED
1-8 AN ACT

1-9 relating to the application of the sales tax to services for
1-10 repairing and remodeling certain historic commercial properties.

1-11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-12 SECTION 1. Section 151.0047, Tax Code, is amended by
1-13 amending Subsection (a) and adding Subsections (a-1) and (a-2) to
1-14 read as follows:

1-15 (a) "Real property repair and remodeling" means the repair,
1-16 restoration, remodeling, or modification of an improvement to real
1-17 property other than:

1-18 (1) a structure or separate part of a structure used as
1-19 a residence;

1-20 (2) an improvement immediately adjacent to a structure
1-21 described by Subdivision (1) [~~of this section~~] and used in the
1-22 residential occupancy of the structure or separate part of the
1-23 structure by the person using the structure or part as a residence;
1-24 [~~or~~]

1-25 (3) an improvement to a manufacturing or processing
1-26 production unit in a petrochemical refinery or chemical plant that
1-27 provides increased capacity in the production unit; or

1-28 (4) an improvement to a structure that:

1-29 (A) is included in the National Register of
1-30 Historic Places or has been designated as a historic structure or
1-31 building by a state agency or by a local ordinance or order;

1-32 (B) is used for nonindustrial commercial
1-33 purposes; and

1-34 (C) is located inside the boundaries of the most
1-35 populous municipality in a county in which two or more
1-36 municipalities each with a population of more than 300,000 are
1-37 located.

1-38 (a-1) The exception provided by Subsection (a)(4) does not
1-39 apply to an improvement to a structure located inside the
1-40 boundaries of a municipality described by Subsection (a)(4)(C)
1-41 until the date the municipality:

1-42 (1) develops a process and procedure for determining
1-43 the total number and variety of the structures that may be eligible
1-44 for that exception; and

1-45 (2) provides a description of that process and
1-46 procedure to the comptroller.

1-47 (a-2) A municipality described by Subsection (a)(4)(C) may
1-48 develop and submit to the comptroller:

1-49 (1) a report on the total number of structures located
1-50 inside the boundaries of the municipality that are eligible for the
1-51 exception provided by Subsection (a)(4); and

1-52 (2) a financial profile that includes the amount of
1-53 state and local taxes generated as a result of interest from the
1-54 private sector in remodeling commercial properties that are
1-55 eligible for that exception.

1-56 SECTION 2. The change in law made by this Act does not
1-57 affect taxes imposed before the effective date of this Act, and the
1-58 law in effect before the effective date of this Act is continued in
1-59 effect for the purposes of the liability for and collection of those
1-60 taxes.

1-61 SECTION 3. This Act takes effect October 1, 2007.

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