

Amend SB 526, on third reading, by adding the following appropriately numbered SECTIONS to the bill and by renumbering existing SECTIONS of the bill accordingly:

SECTION \_\_\_\_\_. Subchapter G, Chapter 403, Government Code, is amended by adding Section 403.1056 to read as follows:

Sec. 403.1056. HEALTH CARE ACCESS FUND. (a) The health care access fund is a special fund in the state treasury outside the general revenue fund.

(b) The fund is composed of:

(1) gifts and grants contributed to the fund;

(2) earnings on the principal of the fund; and

(3) other amounts deposited to the credit of the fund,

including:

(A) legislative appropriations; and

(B) money deposited under Section 155.2415, Tax Code.

(c) Except as provided by Subsections (d) and (e), money in the fund may not be appropriated for any purpose and shall be used only to support federally-qualified health centers as described by Subsection (d).

(d) In each state fiscal biennium, 25 percent of the total amount available in the fund shall be appropriated to the Department of State Health Services to fund the operational costs of federally-qualified health centers, as defined by 42 U.S.C. Section 1396d(1)(2)(B), through the primary health care services program established by the department under Section 31.003, Health and Safety Code.

(e) A gift or grant to the fund may be appropriated in the same manner as money in the fund derived from other sources, subject to any limitation or requirement placed on the gift or grant by the donor or granting entity.

(f) Sections 403.095 and 404.071 do not apply to the fund.

SECTION \_\_\_\_\_. Section 155.0211, Tax Code, is amended by amending Subsection (b) and adding Subsections (b-1), (b-2), (b-3), (b-4), (c), (d), and (e) to read as follows:

(b) Except as provided by Subsection (c), the [The] tax rate for each can or package of a tobacco product [products] other than

cigars is \$1.22 per ounce and a proportionate rate on all fractional parts of an ounce [~~40 percent of the manufacturer's list price, exclusive of any trade discount, special discount, or deal~~].

(b-1) Notwithstanding Subsection (b) and except as provided by Subsection (c), for the state fiscal year beginning September 1, 2012, the tax rate for each can or package of a tobacco product other than cigars is \$1.19 per ounce and a proportionate rate on all fractional parts of an ounce. This subsection expires December 1, 2013.

(b-2) Notwithstanding Subsection (b) and except as provided by Subsection (c), for the state fiscal year beginning September 1, 2011, the tax rate for each can or package of a tobacco product other than cigars is \$1.16 per ounce and a proportionate rate on all fractional parts of an ounce. This subsection expires December 1, 2012.

(b-3) Notwithstanding Subsection (b) and except as provided by Subsection (c), for the state fiscal year beginning September 1, 2010, the tax rate for each can or package of a tobacco product other than cigars is \$1.13 per ounce and a proportionate rate on all fractional parts of an ounce. This subsection expires December 1, 2011.

(b-4) Notwithstanding Subsection (b) and except as provided by Subsection (c), for the state fiscal year beginning September 1, 2009, the tax rate for each can or package of a tobacco product other than cigars is \$1.10 per ounce and a proportionate rate on all fractional parts of an ounce. This subsection expires December 1, 2010.

(c) The tax imposed on a can or package of a tobacco product other than cigars that weighs less than 1.2 ounces is equal to the amount of the tax imposed on a can or package of a tobacco product that weighs 1.2 ounces.

(d) The computation of the tax under this section and the applicability of Subsection (c) shall be based on the net weight as listed by the manufacturer. The total tax to be imposed on a unit that contains multiple individual cans or packages is the sum of the taxes imposed by this section on each individual can or package intended for sale or distribution at retail.

(e) A change in the tax rate in effect for a state fiscal year that occurs in accordance with this section does not affect taxes imposed before that fiscal year, and the rate in effect when those taxes were imposed continues in effect for purposes of the liability for and collection of those taxes. This subsection expires December 1, 2013.

SECTION \_\_\_\_\_. Section 155.101, Tax Code, is amended to read as follows:

Sec. 155.101. RECORD OF PURCHASE OR RECEIPT. Each distributor, wholesaler, bonded agent, and export warehouse shall keep records at each place of business of all tobacco products purchased or received. Each retailer shall keep records at a single location, which the retailer shall designate as its principal place of business in the state, of all tobacco products purchased and received. These records must include the following, except that Subdivision (7) applies to distributors only and Subdivision (8) applies only to the purchase or receipt of tobacco products other than cigars:

(1) the name and address of the shipper or carrier and the mode of transportation;

(2) all shipping records or copies of records, including invoices, bills of lading, waybills, freight bills, and express receipts;

(3) the date and the name of the place of origin of the tobacco product shipment;

(4) the date and the name of the place of arrival of the tobacco product shipment;

(5) a statement of the number, kind, and price paid for the tobacco products;

(6) the name, address, permit number, and tax identification number of the seller;

(7) the manufacturer's list price for the tobacco products; ~~and~~

(8) the net weight as listed by the manufacturer for each unit; and

(9) any other information required by rules of the comptroller.

SECTION \_\_\_\_\_. Section 155.102, Tax Code, is amended by adding Subsection (c) to read as follows:

(c) In addition to the information required under Subsection (b), the records for each sale, distribution, exchange, or use of tobacco products other than cigars must show the net weight as listed by the manufacturer for each unit.

SECTION \_\_\_\_\_. Section 155.103, Tax Code, is amended by adding Subsection (a-1) and amending Subsection (b) to read as follows:

(a-1) In addition to the information required under Subsection (a), the records for each sale of tobacco products other than cigars must show the net weight as listed by the manufacturer for each unit.

(b) A manufacturer who sells tobacco products to a permit holder in this state shall file with the comptroller, on or before the last day of each month, a report showing the information required to be listed by Subsections [in Subsection] (a) and (a-1), if applicable, for the previous month.

SECTION \_\_\_\_\_. Section 155.105(b), Tax Code, is amended to read as follows:

(b) The wholesaler or distributor shall file the report on or before the 25th day of each month. The report must contain the following information for the preceding calendar month's sales in relation to each retailer:

(1) the name of the retailer and the address of the retailer's outlet location to which the wholesaler or distributor delivered cigars or tobacco products, including the city and zip code;

(2) the taxpayer number assigned by the comptroller to the retailer, if the wholesaler or distributor is in possession of the number;

(3) the tobacco permit number of the outlet location to which the wholesaler or distributor delivered cigars or tobacco products; and

(4) the monthly net sales made to the retailer by the wholesaler or distributor, including:

(A) the quantity and units of cigars and tobacco

products sold to the retailer; and

(B) for each unit of tobacco products other than cigars, the net weight as listed by the manufacturer.

SECTION \_\_\_\_\_. Section 155.111, Tax Code, is amended by adding Subsection (b-1) to read as follows:

(b-1) In addition to the information required under Subsection (b), the report must show the net weight as listed by the manufacturer for each unit of tobacco products other than cigars that is purchased, received, or acquired.

SECTION \_\_\_\_\_. Section 155.2415, Tax Code, is amended to read as follows:

Sec. 155.2415. ALLOCATION OF CERTAIN REVENUE TO PROPERTY TAX RELIEF FUND AND CERTAIN OTHER FUNDS. Notwithstanding Section 155.241, the [all] proceeds from the collection of taxes imposed by Section 155.0211 shall be allocated as follows:

(1) the amount of the proceeds that is equal to the amount that, if the taxes imposed by Section 155.0211 were imposed at a rate of 40 percent of the manufacturer's list price, exclusive of any trade discount, special discount, or deal, would be attributable to the portion of that [the] tax rate in excess of 35.213 percent [of the manufacturer's list price, exclusive of any trade discount, special discount, or deal], shall be deposited to the credit of the property tax relief fund under Section 403.109, Government Code;

(2) the amount of the proceeds that is equal to the amount that would be attributable to a tax rate of 35.213 percent of the manufacturer's list price, exclusive of any trade discount, special discount, or deal, if the taxes were imposed by Section 155.0211 at that rate, shall be deposited to the credit of the general revenue fund; and

(3) the remaining proceeds shall be deposited to the credit of the health care access fund under Section 403.1056, Government Code.

SECTION \_\_\_\_\_. The changes in law made by this Act in amending Chapter 155, Tax Code, do not affect tax liability accruing before the effective date of this Act. That liability continues in effect as if this Act had not been enacted, and the

former law is continued in effect for the collection of taxes due and for civil and criminal enforcement of the liability for those taxes.