

By: Nichols

S.B. No. 1128

A BILL TO BE ENTITLED

AN ACT

relating to an exemption from the sales tax for medical equipment used by physicians in certain areas of this state.

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

SECTION 1. Subchapter H, Chapter 151, Tax Code, is amended by adding Section 151.3132 to read as follows:

Sec. 151.3132. MEDICAL EQUIPMENT IN MEDICALLY UNDERSERVED AREAS. (a) The sale, use, or installation of tangible personal property is exempted from the taxes imposed by this chapter if:

(1) the tangible personal property is sold to or used by a physician practicing medicine in an area in this state designated by the federal government or this state as a medically underserved area or a health professional shortage area;

(2) the tangible personal property will be located in the area described by Subdivision (1); and

(3) the physician will use the tangible personal property to diagnose, prevent, alleviate, or cure a human illness or injury.

(b) The exemption provided by this section does not apply to:

(1) tangible personal property not used directly to diagnose, prevent, alleviate, or cure a human illness or injury, including office equipment or supplies; or

(2) tangible personal property rented or leased to the

1 physician for less than one year.

2       SECTION 2. The change in law made by this Act does not  
3 affect tax liability accruing before the effective date of this  
4 Act. That liability continues in effect as if this Act had not been  
5 enacted, and the former law is continued in effect for the  
6 collection of taxes due and for civil and criminal enforcement of  
7 the liability for those taxes.

8       SECTION 3. This Act takes effect July 1, 2009, if it  
9 receives a vote of two-thirds of all the members elected to each  
10 house, as provided by Section 39, Article III, Texas Constitution.  
11 If this Act does not receive the vote necessary for effect on that  
12 date, this Act takes effect September 1, 2009.