

Amend CSSB 1811 (house committee printing) by adding the following appropriately numbered ARTICLE to the bill and renumbering subsequent ARTICLES and SECTIONS of the bill accordingly:

ARTICLE _____. TREATMENT OF CERTAIN EXEMPT ORGANIZATIONS FOR SALES
AND USE TAX PURPOSES

SECTION _____.01. Section 151.310, Tax Code, is amended by adding Subsections (c-1), (c-2), (g), and (h) to read as follows:

(c-1) For purposes of Subsection (c), an organization that qualifies for an exemption under Subsection (a)(1) or (2) is the seller of a taxable item at a tax-free sale or auction authorized by Subsection (c) if the organization:

(1) obtains the taxable item in a transaction that is a purchase;

(2) purchases the taxable item for a wholesale price stated on an invoice or receipt;

(3) bears the risk of loss with respect to the taxable item after the purchase; and

(4) is not contractually obligated to resell the taxable item at a price established by the person from whom the organization obtains the taxable item.

(c-2) An organization does not fail to meet the requirements of Subsection (c-1) solely because the organization:

(1) returns a taxable item to the person from whom the item was obtained in exchange for a refund of the purchase price; or

(2) resells a taxable item at a price suggested or recommended by the person from whom the item was obtained.

(g) An organization that is the seller of a taxable item as provided by Subsection (c-1) is entitled to claim an exemption under Section 151.302 on the purchase of the taxable item for resale at a tax-free sale or auction authorized by Subsection (c) or another sale that is not tax-free.

(h) Notwithstanding Section 151.024, an organization that is the seller of a taxable item as provided by Subsection (c-1) may not be regarded under Section 151.024 as the agent of the dealer, distributor, supervisor, or employer from whom the organization obtains the taxable item.

SECTION _____.02. The changes in law made by this article to Section 151.310, Tax Code, apply to any tax period with respect to which the limitation period prescribed by Section 111.201, Tax Code, has not expired on the effective date of this Act.