

BILL ANALYSIS

H.B. 3326
By: Woolley
Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Interested parties contend that the definition of retail trade, with regard to the franchise tax, has caused certain retailers engaged in the sale and rental of apparel to be improperly classified for purposes of the that tax. H.B. 3326 seeks to remedy this situation by redefining that term.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 3326 amends the Tax Code to redefine "retail trade" for purposes of the franchise tax to include apparel rental activities classified as Industry 5999 or 7299 of the 1987 Standard Industrial Classification Manual published by the federal Office of Management and Budget.

EFFECTIVE DATE

January 1, 2012.