

## **BILL ANALYSIS**

S.B. 1927  
By: Zaffirini  
Ways & Means  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Interested parties contend that the current wildfires in Texas are imposing a great financial burden on the volunteer fire and EMS departments that are responding to them. Among the primary sources of revenue for many of these departments are fundraisers. Texas law currently authorizes two sales tax-exempt fundraisers per year for certain nonprofit organizations. S.B. 1927 seeks to assist certain nonprofit volunteer fire departments by increasing the number of authorized sales tax-exempt fundraisers that may be held over the next few years.

### **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**

S.B. 1927 amends the Tax Code to add a temporary provision, set to expire September 1, 2014, authorizing a volunteer firefighter or emergency medical services organization that qualifies for a limited sales, excise, and use tax exemption under applicable provisions of law to hold 10 tax-free sales or auctions during a calendar year, with each tax-free sale or auction limited to a duration of not more than 72 hours. The bill exempts from the use tax the storage, use, or consumption of a taxable item that is acquired from such a qualified organization at a tax-free sale or auction and that is exempted from sales taxes until the item is resold or subsequently transferred. The bill makes provisions authorizing an additional tax-free sale or auction in a calendar year if two or more organizations jointly hold a tax-free sale or auction applicable to a tax-free sale or auction authorized under the bill's provisions.

S.B. 1927 clarifies that the change in law made by its provisions does not affect tax liability accruing before the effective date of the bill and establishes that such liability continues in effect as if the bill had not been enacted, and continues the former law in effect for the collection of taxes due and for civil and criminal enforcement of the liability for those taxes.

### **EFFECTIVE DATE**

On passage, or, if the bill does not receive the necessary vote, September 1, 2011.