

By: Hartnett, Hilderbran

H.B. No. 1841

A BILL TO BE ENTITLED

AN ACT

relating to the taxability of Internet hosting.

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

SECTION 1. Subchapter D, Chapter 151, Tax Code, is amended by adding Section 151.108 to read as follows:

Sec. 151.108. INTERNET HOSTING. (a) In this section, "Internet hosting" means providing to an unrelated user access over the Internet to computer services using property that is owned or leased and managed by the provider and on which the user may store or process the user's own data or use software that is owned, licensed, or leased by the user or provider. The term does not include telecommunications services.

(b) A person whose only activity in this state is conducted as a user of Internet hosting is not engaged in business in this state.

(c) A person providing Internet hosting is not required to:

(1) examine a user's data to determine the applicability of this chapter to a user;

(2) report to the comptroller about a user's activities; or

(3) advise a user as to the applicability of this chapter.

SECTION 2. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as

H.B. No. 1841

1 provided by Section 39, Article III, Texas Constitution. If this
2 Act does not receive the vote necessary for immediate effect, this
3 Act takes effect September 1, 2011.