1-1 By: Hartnett, Hilderbran (Senate Sponsor - Carona) H.B. No. 1841
1-2   (In the Senate - Received from the House April 27, 2011;
1-3 May 3, 2011, read first time and referred to Committee on Finance;
1-4 May 17, 2011, reported favorably by the following vote: Yeas 12,
1-5 Nays 0; May 17, 2011, sent to printer.)

1-6   A BILL TO BE ENTITLED
1-7   AN ACT

1-8 relating to the taxability of Internet hosting.
1-9   BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
1-10   SECTION 1. Subchapter D, Chapter 151, Tax Code, is amended
1-11 by adding Section 151.108 to read as follows:
1-12   Sec. 151.108. INTERNET HOSTING. (a) In this section,
1-13 "Internet hosting" means providing to an unrelated user access over
1-14 the Internet to computer services using property that is owned or
1-15 leased and managed by the provider and on which the user may store
1-16 or process the user's own data or use software that is owned,
1-17 licensed, or leased by the user or provider. The term does not
1-18 include telecommunications services.
1-19   (b) A person whose only activity in this state is conducted
1-20 as a user of Internet hosting is not engaged in business in this
1-21 state.
1-22   (c) A person providing Internet hosting is not required to:
1-23   (1) examine a user's data to determine the
1-24 applicability of this chapter to a user;
1-25   (2) report to the comptroller about a user's
1-26 activities; or
1-27   (3) advise a user as to the applicability of this
1-28 chapter.
1-29   SECTION 2. This Act takes effect immediately if it receives
1-30 a vote of two-thirds of all the members elected to each house, as
1-31 provided by Section 39, Article III, Texas Constitution. If this
1-32 Act does not receive the vote necessary for immediate effect, this
1-33 Act takes effect September 1, 2011.

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