

## **BILL ANALYSIS**

H.B. 2504  
By: Bohac  
Ways & Means  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Interested parties note that there is currently some ambiguity with respect to the sales tax treatment of certain snack items, such as what kinds and sizes of snacks are taxable. H.B. 2504 seeks to eliminate this ambiguity.

### **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. 2504 amends the Tax Code to include snack items among the food products that are exempt from sales tax. The bill specifies that, for purposes of this exemption, snack items include breakfast bars, granola bars, nutrition bars, sports bars, protein bars, or yogurt bars, unless labeled and marketed as candy; snack mix or trail mix; nuts, unless candy-coated; popcorn; and chips, crackers, or pretzels. The bill makes the exemption inapplicable to chips, crackers, or pretzels sold in individual-sized portions, meaning a portion that is labeled as having not more than one serving or that contains less than three ounces, if the package does not specify the number of servings.

### **EFFECTIVE DATE**

September 1, 2013.