

By: Bohac

H.B. No. 2504

A BILL TO BE ENTITLED

AN ACT

relating to sales and use tax treatment of certain snack items;  
eliminating a tax exemption.

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

SECTION 1. Section 151.314, Tax Code, is amended by  
amending Subsection (b) and adding Subsections (b-1) and (h) to  
read as follows:

(b) "Food products" shall include, except as otherwise  
provided herein, but shall not be limited to cereals and cereal  
products; milk and milk products, including ice cream;  
oleomargarine; meat and meat products; poultry and poultry  
products; fish and fish products; eggs and egg products;  
vegetables and vegetable products; fruit and fruit products;  
spices, condiments, and salt; sugar and sugar products; coffee and  
coffee substitutes; tea; cocoa products; snack items; or any  
combination of the above.

(b-1) For purposes of this section, "snack items" includes:

(1) breakfast bars, granola bars, nutrition bars,  
sports bars, protein bars, or yogurt bars, unless labeled and  
marketed as candy;

(2) snack mix or trail mix;

(3) nuts, unless candy-coated;

(4) popcorn; and

(5) chips, crackers, or pretzels.

1        (h) The exemption provided by Subsection (a) does not apply  
2 to a snack item described by Subsection (b-1)(5) if the item is sold  
3 in individual-sized portions. For purposes of this subsection, an  
4 individual-sized portion is a portion that:

5                (1) is labeled as having not more than one serving; or  
6                (2) contains less than three ounces, if the package  
7 does not specify the number of servings.

8        SECTION 2. The change in law made by this Act does not  
9 affect tax liability accruing before the effective date of this  
10 Act. That liability continues in effect as if this Act had not been  
11 enacted, and the former law is continued in effect for the  
12 collection of taxes due and for civil and criminal enforcement of  
13 the liability for those taxes.

14        SECTION 3. This Act takes effect September 1, 2013.