

By: Hilderbran

H.B. No. 3571

A BILL TO BE ENTITLED

1 AN ACT
2 relating to taxes administered by the comptroller of public
3 accounts; raising and lowering the rates of certain taxes.

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

5 SECTION 1. Section 111.002(b), Tax Code, is amended to read
6 as follows:

7 (b) A person who does not comply with a rule made under this
8 section forfeits to the state an amount of not less than \$50 [~~\$25~~]
9 nor more than \$500. Each day on which a failure to comply occurs or
10 continues is a separate violation.

11 SECTION 2. Section 111.004(d), Tax Code, is amended to read
12 as follows:

13 (d) The comptroller's authority to examine books, records,
14 and papers under this chapter extends to all books, records,
15 papers, and other objects, regardless of electronic or physical
16 form, which the comptroller determines are necessary for conducting
17 a complete examination under this title.

18 SECTION 3. Section 151.319(f), Tax Code, is amended to read
19 as follows:

20 (f) In this section, "newspaper" means a publication that is
21 printed on newsprint, the average sales price of which for each copy
22 over a 30-day period does not exceed \$3.00 [~~\$1.50~~], and that is
23 printed and distributed at a daily, weekly, or other short interval
24 for the dissemination of news of a general character and of a

1 general interest. "Newspaper" does not include a magazine,
2 handbill, circular, flyer, sales catalog, or similar printed item
3 unless the printed item is printed for distribution as a part of a
4 newspaper and is actually distributed as a part of a newspaper. For
5 the purposes of this section, an advertisement is news of a general
6 character and of a general interest. Notwithstanding any other
7 provision of this subsection, "newspaper" includes:

8 (1) a publication containing articles and essays of
9 general interest by various writers and advertisements that is
10 produced for the operator of a licensed and certified carrier of
11 persons and distributed by the operator to its customers during
12 their travel on the carrier; and

13 (2) a publication for the dissemination of news of a
14 general character and of a general interest that is printed on
15 newsprint and distributed to the general public free of charge at a
16 daily, weekly, or other short interval.

17 SECTION 4. Section 151.333(b), Tax Code, is amended to read
18 as follows:

19 (b) This section applies only to the following
20 energy-efficient products:

21 (1) an air conditioner the sales price of which does
22 not exceed \$6,000;

23 (2) a clothes washer;

24 (3) a ceiling fan;

25 (4) a dehumidifier;

26 (5) a dishwasher;

27 (6) an incandescent, ~~or~~ fluorescent, or

1 light-emitting diode lightbulb;

2 (7) a programmable thermostat; and

3 (8) a refrigerator the sales price of which does not
4 exceed \$2,500 [~~\$2,000~~].

5 SECTION 5. Section 152.022, Tax Code, is amended by adding
6 Subsection (c) to read as follows:

7 (c) The tax imposed by this section does not apply to a motor
8 vehicle purchased at retail sale in a foreign country and used on
9 the public highways of this state by an active duty member of the
10 United States armed forces residing in this state on military
11 orders.

12 SECTION 6. Section 152.023, Tax Code, is amended by adding
13 Subsection (d) to read as follows:

14 (d) The tax imposed by this section does not apply to a motor
15 vehicle described by Subsection (a) that:

16 (1) is brought into this state by an active duty member
17 of the United States armed forces residing in this state on military
18 orders; and

19 (2) was purchased, leased, or otherwise acquired in a
20 foreign country by the active duty member while serving on active
21 duty.

22 SECTION 7. Section 156.101, Tax Code, is amended to read as
23 follows:

24 Sec. 156.101. EXCEPTION--PERMANENT RESIDENT. This chapter
25 does not impose a tax on an individual [~~a person~~] who has the right
26 to use or possess a room in a hotel for at least 30 consecutive days,
27 so long as there is no interruption of payment for the period.

1 SECTION 8. Section 171.0001(12), Tax Code, is amended to
2 read as follows:

3 (12) "Retail trade" means:

4 (A) the activities described in Division G of the
5 1987 Standard Industrial Classification Manual published by the
6 federal Office of Management and Budget; ~~and~~

7 (B) apparel rental activities classified as
8 Industry 5999 or 7299 of the 1987 Standard Industrial
9 Classification Manual published by the federal Office of Management
10 and Budget; and

11 (C) rental-purchase agreement activities
12 regulated by Chapter 92, Business & Commerce Code.

13 SECTION 9. Section 171.1011, Tax Code, is amended by
14 amending Subsection (g) and adding Subsection (g-8) to read as
15 follows:

16 (g) A taxable entity shall exclude from its total revenue,
17 to the extent included under Subsection (c)(1)(A), (c)(2)(A), or
18 (c)(3), only the following flow-through funds that are mandated by
19 contract to be distributed to other entities:

20 (1) sales commissions to nonemployees, including
21 split-fee real estate commissions;

22 (2) the tax basis as determined under the Internal
23 Revenue Code of securities underwritten; ~~and~~

24 (3) subcontracting payments handled by the taxable
25 entity to provide services, labor, or materials in connection with
26 the actual or proposed design, construction, remodeling, or repair
27 of improvements on real property or the location of the boundaries

1 of real property; and

2 (4) subcontracting payments made to individuals for
3 services related to the acquisition or management of petroleum
4 interests or the performance of title or contract functions related
5 to the exploration, exploitation, or disposition of petroleum or
6 mineral interests.

7 (g-8) Subsection (g)(3) includes subcontracting payments
8 handled by the taxable entity for the hauling or installing of base,
9 sand, gravel, or aggregate in connection with the construction,
10 remodeling, or repair of improvements on real property.

11 SECTION 10. Section 181.002, Tax Code, is amended to read as
12 follows:

13 Sec. 181.002. RATE OF TAX. The rate of the tax imposed by
14 this chapter is \$0.035 [~~\$0.0275~~] for each 100 pounds or fraction of
15 100 pounds of taxable cement.

16 SECTION 11. Section 191.086, Tax Code, is amended to read as
17 follows:

18 Sec. 191.086. PENALTY. A person who violates this
19 subchapter forfeits and shall pay to the state a penalty of not less
20 than \$50 [~~\$25~~] nor more than \$500. A separate offense is committed
21 each day on which a violation occurs.

22 SECTION 12. Section 203.003, Tax Code, is amended to read as
23 follows:

24 Sec. 203.003. RATE OF TAX. The tax imposed by this chapter
25 is at the rate of \$1 [~~\$1.03~~] a long ton or fraction of a long ton of
26 sulphur produced in this state.

27 SECTION 13. Section 321.209(b), Tax Code, is amended to

1 read as follows:

2 (b) The taxpayer must give the comptroller notice of the
3 contract or bid on which an exemption is to be claimed within 45
4 [~~60~~] days after the effective date of the tax imposed under Section
5 321.101(a) in the municipality.

6 SECTION 14. This Act takes effect January 1, 2014.