

AN ACT

relating to the sales and use tax consequences of economic development agreements made by certain municipalities.

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

SECTION 1. Section 321.203, Tax Code, is amended by adding Subsections (c-4) and (c-5) to read as follows:

(c-4) Subsection (c) does not apply if:

(1) the taxable item is shipped or delivered from a warehouse:

(A) located in a municipality with a population of 5,000 or less;

(B) that is a place of business of the retailer;

(C) in relation to which the retailer has an economic development agreement with the municipality that was entered into under Chapter 380, 504, or 505, Local Government Code, or a predecessor statute, before January 1, 2009; and

(D) in relation to which the municipality provided information relating to the economic development agreement as required by Subsection (c-3), as that subsection existed immediately before its expiration; and

(2) the place of business of the retailer at which the retailer first receives the order in the manner described by Subsection (c) is a retail outlet identified in the information required by Subsection (c-3), as that subsection existed

1 immediately before its expiration, as being served by the warehouse
2 on January 1, 2009.

3 (c-5) This subsection and Subsection (c-4) expire September
4 1, 2024.

5 SECTION 2. Section 323.203, Tax Code, is amended by adding
6 Subsections (c-4) and (c-5) to read as follows:

7 (c-4) Subsection (c) does not apply if:

8 (1) the taxable item is shipped or delivered from a
9 warehouse:

10 (A) located in a municipality with a population
11 of 5,000 or less;

12 (B) that is a place of business of the retailer;

13 (C) in relation to which the retailer has an
14 economic development agreement with the municipality that was
15 entered into under Chapter 380, 504, or 505, Local Government Code,
16 or a predecessor statute, before January 1, 2009; and

17 (D) in relation to which the municipality
18 provided information relating to the economic development
19 agreement as required by Section 321.203(c-3), as that subsection
20 existed immediately before its expiration; and

21 (2) the place of business of the retailer at which the
22 retailer first receives the order in the manner described by
23 Subsection (c) is a retail outlet identified in the information
24 required by Section 321.203(c-3), as that subsection existed
25 immediately before its expiration, as being served by the warehouse
26 on January 1, 2009.

27 (c-5) This subsection and Subsection (c-4) expire September

1 1, 2024.

2 SECTION 3. This Act takes effect immediately if it receives
3 a vote of two-thirds of all the members elected to each house, as
4 provided by Section 39, Article III, Texas Constitution. If this
5 Act does not receive the vote necessary for immediate effect, this
6 Act takes effect September 1, 2013.

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 997 passed the Senate on April 11, 2013, by the following vote: Yeas 31, Nays 0; and that the Senate concurred in House amendment on May 23, 2013, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

I hereby certify that S.B. No. 997 passed the House, with amendment, on May 17, 2013, by the following vote: Yeas 134, Nays 0, two present not voting.

Chief Clerk of the House

Approved:

Date

Governor