

BILL ANALYSIS

H.B. 103
By: Guillen
Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

According to interested parties, recent wildfires that have devastated many parts of Texas have also taxed the financial resources of many volunteer fire departments, which depend on fundraisers and donations for much of their total budgets. The parties report that previously enacted legislation allowed volunteer fire departments to hold 10 tax-free sales or auctions in 2011, 2012, and 2013, which added valuable revenue to thinly stretched department budgets. H.B. 103 seeks to extend the authority to hold these tax-free sales or auctions and alleviate the financial burden on volunteer fire departments.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

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. 103 amends the Tax Code to authorize certain volunteer firefighter or emergency services organizations that qualify for a sales and use tax exemption on a taxable item sold, leased, rented to, or stored, used, or consumed by the organizations to hold 10 tax-free sales or auctions during a calendar year, with each sale or auction lasting no longer than 72 hours. The bill exempts from use taxes the storage, use, or consumption of a taxable item that is acquired from such an organization at a tax-free sale or auction and that is otherwise exempted from sales taxes until the item is resold or subsequently transferred. The bill establishes that a sale or auction held jointly by an exempt organization and one or more other exempt organizations is considered to be one of the exempt organization's 10 such authorized tax-free sales or auctions.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2015.