

## **BILL ANALYSIS**

H.B. 1841  
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Ways & Means  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Consumers in Texas, interested parties note, are taxed for the use of adjusting services to resolve a claim for property damage under an insurance policy. According to the parties, this tax is not evenly applied since consumers do not pay sales tax when purchasing an insurance policy for property coverage nor when engaging the services of a lawyer to resolve an insurance claim on their behalf. The parties suggest that public insurance adjusters are a cost-effective alternative to litigation and typically yield positive results for the policyholders they represent. Despite this, the parties continue, policyholders are being taxed for the services public insurance adjusters provide during times of loss, which has the effect of penalizing policyholders when they can least afford it. H.B. 1841 seeks to address this issue.

### **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. 1841 amends the Tax Code to exclude a service performed on behalf of an insured by a licensed public insurance adjuster from the definition of "insurance service" for purposes relating to the sales and use tax.

### **EFFECTIVE DATE**

October 1, 2015.