

BILL ANALYSIS

C.S.H.B. 3049
By: Darby
Ways & Means
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties observe that sales taxes are imposed on janitorial services, building cleaning services, and grounds cleaning services. The parties assert that the comptroller of public accounts has determined that some cleaning services, however, are not janitorial services and note that no tax is due on charges to sanitize rooms and equipment used in meat processing as an example. There are concerns that the specialized cleaning services that hospitals and similar treatment facilities use to prevent the spread of infectious diseases could be considered taxable building cleaning services. C.S.H.B. 3049 seeks to remedy 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

C.S.H.B. 3049 amends the Tax Code to exempt from sales and use taxes when performed for a health care facility cleaning, janitorial, or custodial services performed inside the health care facility and the cleaning of patient care equipment, tools, or devices. The bill defines "health care facility" for such purposes as a hospital, licensed ambulatory surgical center, licensed chemical dependency treatment facility, renal dialysis facility, birthing center, rural health clinic, federally qualified health center as defined by federal law, or free-standing imaging center.

EFFECTIVE DATE

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

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 3049 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED

SECTION 1. Section 151.0048, Tax Code, is amended by adding Subsection (b-3) to

HOUSE COMMITTEE SUBSTITUTE

No equivalent provision.

read as follows:

(b-3) "Real property service" does not include the environmental cleaning, disinfection, sanitation, and sterilization of patient care rooms and associated equipment, hallways, and diagnostic or treatment areas where patients or visitors are granted access in a licensed health care facility. This subsection does not apply to cleaning in administrative offices, shops, or cafeterias inside the facility. For purposes of this subsection, "environmental cleaning, disinfection, sanitation, and sterilization" means the processes and preferred methods implemented by a specialized service provider for cleaning, disinfection, sanitation, and sterilization that are recommended by the United States Centers for Disease Control and Prevention and approved by the health care facility's infection control program.

No equivalent provision.

SECTION 2. This Act is a clarification of existing law and does not imply that existing law may be construed as inconsistent with the law as amended by this Act.

No equivalent provision.

SECTION 3. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each

SECTION 1. Subchapter H, Chapter 151, Tax Code, is amended by adding Section 151.3502 to read as follows:

Sec. 151.3502. CLEANING SERVICES PERFORMED FOR HEALTH CARE FACILITY. (a) In this section, "health care facility" has the meaning assigned by Section 108.002, Health and Safety Code. (b) The following are exempted from the taxes imposed by this chapter when performed for a health care facility: (1) cleaning, janitorial, or custodial services performed inside the health care facility; or (2) cleaning patient care equipment, tools, or devices.

No equivalent provision.

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

SECTION 3. Same as introduced version.

house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2015.