

By: Nichols

S.B. No. 1850

A BILL TO BE ENTITLED

AN ACT

1
2 relating to a sales tax exemption for the rental of equipment used
3 in the construction or improvement of a road or highway for a
4 governmental entity.

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

6 SECTION 1. Section [151.311](#), Tax Code, is amended by adding
7 Subsection (e) to read as follows:

8 (e) The rental of equipment for use in the performance of a
9 contract for the construction or improvement of a road or highway,
10 including a turnpike or toll road, by an organization exempted
11 under Section [151.309](#) is exempted from the taxes imposed by this
12 chapter.

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

19 SECTION 3. This Act takes effect immediately if it receives
20 a vote of two-thirds of all the members elected to each house, as
21 provided by Section [39](#), Article III, Texas Constitution. If this
22 Act does not receive the vote necessary for immediate effect, this
23 Act takes effect September 1, 2015.