

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 19, 2015

TO: Honorable Jane Nelson, Chair, Senate Committee on Finance

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB3484 by Bonnen, Dennis (Relating to the application of sales and use taxes to certain food items; adding a provision subject to a criminal penalty.), **As Engrossed**

No fiscal implication to the State is anticipated.

The bill would amend Section 151.314, Tax Code, in relation to sales and use taxation of certain food items.

The definition of "snack items" would be amended to exclude pine nuts and include pork rinds, corn nuts, sunflower and pumpkin seeds, ice cream, sherbet, frozen yogurt, ice pops, juice pops, and certain other frozen fruit items. Snack items when sold in individual-sized portions are subject to tax.

The bill would also provide that taxation of food items from ingredients mixed or combined by the seller for sales as a single item applies regardless of where the preparation occurs.

The bill would also provide that when a grocery store or convenience store contains a type of location like a restaurant, lunch counter, cafeteria, or deli, the store is considered a like place of business in relation to items sold at that location.

The bill would codify current administrative practice and consequently would have no fiscal implications.

The bill would take effect September 1, 2015.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: UP, KK