

House Bill 4054
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

SECTION 1. Section 151.314, Tax Code, is amended by amending Subsections (b), (c-2), and (c-3) and adding Subsection (b-2) to read as follows:

(b) "Food products" shall include, except as otherwise provided herein, but shall not be limited to cereals and cereal products; milk and milk products, including ice cream; oleomargarine; meat and meat products; poultry and poultry products; fish and fish products; eggs and egg products; vegetables and vegetable products; fruit and fruit products; spices, condiments, and salt; sugar and sugar products; coffee and coffee substitutes; tea; cocoa products; snack items; bakery items; or any combination of the above.

(b-2) For purposes of this section:

(1) "Bakery" means a retail location that primarily sells bakery items from a display case or counter, predominantly for consumption off the premises.

(2) "Bakery items" means bread, rolls, buns, biscuits, bagels, croissants, pastries, doughnuts, Danish, cakes, tortes, pies, tarts, muffins, bars, cookies, tortillas, and similar items.

(c-2) The exemption provided by Subsection (a) does not include the following prepared food:

(1) except as provided by Subsection (c-3)(1), food, food products, and drinks, including meals, milk and milk products, fruit and fruit products, sandwiches, salads, processed meats and seafoods, vegetable juice, and ice cream in cones or small cups, served, prepared, or sold ready for immediate consumption by restaurants, lunch counters, cafeterias, delis, vending machines, hotels, or like places of business or sold ready for immediate consumption from pushcarts, motor vehicles, or any other form of vehicle;

(2) except as provided by Subsection (c-3), food sold in a heated state or heated by the seller; or

SENATE VERSION (CS)

SECTION 1. Section 151.314, Tax Code, is amended by adding Subsection (b-2) and amending Subsections (c-2) and (c-3) to read as follows:

(b-2) For purposes of this section:

(1) "Bakery" means a retail location that primarily sells bakery items from a display case or counter, predominantly for consumption off the premises.

(2) "Bakery items" means bread, rolls, buns, biscuits, bagels, croissants, pastries, doughnuts, Danish, cakes, tortes, pies, tarts, muffins, bars, cookies, tortillas, and similar items.

(c-2) The exemption provided by Subsection (a) does not include the following prepared food:

(1) except as provided by Subsection (c-3)(1), food, food products, and drinks, including meals, milk and milk products, fruit and fruit products, sandwiches, salads, processed meats and seafoods, vegetable juice, and ice cream in cones or small cups, served, prepared, or sold ready for immediate consumption by restaurants, lunch counters, cafeterias, delis, vending machines, hotels, or like places of business or sold ready for immediate consumption from pushcarts, motor vehicles, or any other form of vehicle;

(2) except as provided by Subsection (c-3)(1), food sold in a heated state or heated by the seller; or

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(3) two or more food ingredients mixed or combined by the seller for sale as a single item, including items that are sold in an unheated state by weight or volume as a single item, but not including food that is only cut, repackaged, or pasteurized by the seller.

(c-3) The exemption provided by Subsection (a) includes:

(1) bakery items sold by a bakery, regardless of whether heated by the consumer or seller [~~without plates or other eating utensils, including bread, rolls, buns, biscuits, bagels, croissants, pastries, doughnuts, Danish, cakes, tortes, pies, tarts, muffins, bars, cookies, and tortillas~~]; and

(2) eggs, fish, meat, and poultry, and foods containing these raw animal foods, that require cooking by the consumer as recommended by the Food and Drug Administration in Chapter 3, Section 401.11 of its Food Code to prevent food-borne illness and any other food that requires cooking by the consumer before the food is edible.

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. This Act takes effect September 1, 2017.

SENATE VERSION (CS)

(3) two or more food ingredients mixed or combined by the seller for sale as a single item, including items that are sold in an unheated state by weight or volume as a single item, but not including food that is only cut, repackaged, or pasteurized by the seller.

(c-3) The exemption provided by Subsection (a) includes:

(1) bakery items sold by a bakery, regardless of whether the items are:

(A) heated by the consumer or seller; or

(B) served with plates or other eating utensils;

(2) bakery items sold at a retail location other than a bakery without plates or other eating utensils [~~including bread, rolls, buns, biscuits, bagels, croissants, pastries, doughnuts, Danish, cakes, tortes, pies, tarts, muffins, bars, cookies, and tortillas~~]; and

(3) [(2)] eggs, fish, meat, and poultry, and foods containing these raw animal foods, that require cooking by the consumer as recommended by the Food and Drug Administration in Chapter 3, Section 401.11 of its Food Code to prevent food-borne illness and any other food that requires cooking by the consumer before the food is edible.

SECTION 2. Same as House version.

SECTION 3. Same as House version.

CONFERENCE