

By: Goodwin

H.B. No. 2849

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to the imposition of a sales tax on ammunition, firearms,  
3 and firearms accessories to provide funding for a grant program for  
4 mental health services.

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

6 SECTION 1. Subtitle E, Title 2, Tax Code, is amended by  
7 adding Chapter 165 to read as follows:

8 CHAPTER 165. SALES TAX ON AMMUNITION, FIREARMS, AND FIREARM  
9 ACCESSORIES

10 Sec. 165.0001. DEFINITIONS. In this chapter:

11 (1) "Ammunition" has the meaning assigned by 18 U.S.C.  
12 Section 921(a)(17)(A).

13 (2) "Dealer" has the meaning assigned by 18 U.S.C.  
14 Section 921(a)(11).

15 (3) "Firearm" has the meaning assigned by 18 U.S.C.  
16 Section 921(a)(3).

17 (4) "Firearm accessory" means an item used in  
18 conjunction with or mounted on a firearm that is not essential to  
19 the basic function of a firearm, including a telescopic or laser  
20 sight, magazine, flash or sound suppressor, folding or aftermarket  
21 stock and grip, speedloader, ammunition carrier, or light for  
22 target illumination.

23 Sec. 165.0002. AMMUNITION, FIREARMS, AND FIREARM  
24 ACCESSORIES TAX. (a) A tax is imposed on each sale by a dealer of

1 ammunition, a firearm, or a firearm accessory.

2 (b) The tax rate is one percent of the sale price of the  
3 ammunition, firearm, or firearm accessory.

4 (c) The tax imposed under this chapter is in addition to the  
5 tax imposed under Chapter 151. The tax imposed by this chapter does  
6 not apply to a sale unless the tax imposed under Chapter 151 applies  
7 to the sale.

8 Sec. 165.0003. APPLICATION OF OTHER PROVISIONS. (a)

9 Except as provided by this chapter:

10 (1) the tax imposed by this chapter is administered,  
11 imposed, collected, and enforced in the same manner as the tax under  
12 Chapter 151 is administered, imposed, collected, and enforced;

13 (2) the provisions of Chapter 151 applicable to the  
14 sales tax imposed under Subchapter C, Chapter 151, apply to the tax  
15 imposed by this chapter.

16 (b) A change in the law relating to the taxation of the sale  
17 of ammunition, a firearm, or a firearm accessory under Chapter 151  
18 also applies to the tax imposed by this chapter.

19 SECTION 2. (a) This section takes effect only if the Act of  
20 the 86th Legislature, Regular Session, 2019, relating to  
21 nonsubstantive additions to and corrections in enacted codes  
22 becomes law.

23 (b) Chapter 165, Tax Code, as added by this Act, is amended  
24 by adding Section 165.0004 to read as follows:

25 Sec. 165.0004. DISPOSITION AND USE OF PROCEEDS. The  
26 comptroller shall deposit the proceeds from taxes imposed under  
27 this chapter to the credit of a special account in the general

1 revenue fund that may be appropriated only to the Health and Human  
2 Services Commission for the mental health services grant program  
3 established under Chapter 531.0991, Government Code.

4 SECTION 3. (a) This section takes effect only if the Act of  
5 the 86th Legislature, Regular Session, 2019, relating to  
6 nonsubstantive additions to and corrections in enacted codes does  
7 not become law.

8 (b) Chapter 165, Tax Code, as added by this Act, is amended  
9 by adding Section 165.0004 to read as follows:

10 Sec. 165.0004. DISPOSITION AND USE OF PROCEEDS. The  
11 comptroller shall deposit the proceeds from taxes imposed under  
12 this chapter to the credit of a special account in the general  
13 revenue fund that may be appropriated only to the Health and Human  
14 Services Commission for the mental health services grant program  
15 established under Chapter 531.0999, Government Code, as added by  
16 Chapter 770 (H.B. 13), Acts of the 85th Legislature, Regular  
17 Session, 2017.

18 SECTION 4. This Act takes effect September 1, 2019.