

By: Powell

S.B. No. 1294

A BILL TO BE ENTITLED

AN ACT

relating to water-related exemptions from sales and use taxes.

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

SECTION 1. Section 151.355, Tax Code, is amended to read as follows:

Sec. 151.355. WATER-RELATED EXEMPTIONS. The following are exempted from taxes imposed by this chapter:

(1) equipment, services, or supplies used solely for rainwater harvesting;

(1-a) [~~equipment or supplies,~~] water recycling and reuse equipment or supplies [7] or other equipment, services, or supplies used solely to reduce or eliminate water use;

(2) equipment, services, or supplies used solely for desalination of surface water or groundwater;

(3) equipment, services, or supplies used solely for brush control designed to enhance the availability of water;

(4) equipment, services, or supplies used solely for precipitation enhancement;

(5) equipment, services, or supplies used solely to construct or operate a water or wastewater system certified by the Texas Commission on Environmental Quality as a regional system;

(6) equipment, services, or supplies used solely to construct or operate a water supply or wastewater system by a private entity as a public-private partnership as certified by the

1 political subdivision that is a party to the project; and

2 (7) tangible personal property specifically used to
3 process, reuse, or recycle wastewater that will be used in
4 fracturing work performed at an oil or gas well.

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

11 SECTION 3. This Act takes effect on the first day of the
12 first month beginning on or after the earliest date on which this
13 Act may take effect if it receives a vote of two-thirds of all the
14 members elected to each house, as provided by Section 39, Article
15 III, Texas Constitution. If this Act does not receive the vote
16 necessary for effect before September 1, 2019, this Act takes
17 effect September 1, 2019.