87R7541 SMT-D

By:  Howard H.B. No. 2663

A BILL TO BE ENTITLED

AN ACT

relating to the rate of state sales and use taxes imposed on certain personal services and the use of a portion of the revenue from those taxes for sexual assault programs; increasing the rates of taxes.

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

SECTION 1.  Section 151.051, Tax Code, is amended by adding Subsection (c) to read as follows:

(c)  Notwithstanding Subsection (b), the sales tax rate is 18.75 percent of the sales price of a taxable item sold that is a personal service listed under Group 729 of the Standard Industrial Classification Manual, 1972, as massage parlors, an escort service, or Turkish baths.

SECTION 2.  Section 151.0595(e), Tax Code, is amended to read as follows:

(e)  As soon as practicable after the end of a state fiscal year, the comptroller shall determine the estimated average rate of local sales and use taxes imposed in this state during the preceding state fiscal year by:

(1)  dividing the total amount of net local sales and use taxes remitted to the comptroller under this section and Title 3 during that state fiscal year by the total amount of net state sales and use taxes remitted to the comptroller under this chapter during that state fiscal year;

(2)  multiplying the amount computed under Subdivision (1) by the rate provided by Section 151.051(b) [~~151.051~~]; and

(3)  rounding the amount computed under Subdivision (2) to the nearest .0025.

SECTION 3.  Subchapter M, Chapter 151, Tax Code, is amended by adding Section 151.805 to read as follows:

Sec. 151.805.  USE OF CERTAIN REVENUE FOR SEXUAL ASSAULT PROGRAMS. Notwithstanding Section 151.801(a), an amount equal to the proceeds from the collection of sales and use taxes imposed on the sale or use of personal services described by Section 151.051(c) at a rate of 12.5 percent shall be deposited to the credit of the sexual assault prevention and crisis services fund established under Section 420.007, Government Code.

SECTION 4.  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 5.  This Act takes effect October 1, 2021.